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CHAPTER 27**ANALYSIS, REVIEW, AND RECONCILIATION****2701 GENERAL**

This chapter contains procedures for the various types of analyses, reviews, and reconciliations necessary to maintain the accuracy and integrity of the entire accounting process. It includes various types of analysis techniques that can help management meet its needs and requirements, as well as instructions and checklists for month-end and year-end.

2702 RESPONSIBILITIES

270201. Accounting activities and serviced activities are jointly responsible for:
- A. Ensuring the validity of documentation for recorded transactions.
 - B. Maintaining and reviewing subsidiary records.
 - C. Reconciling subsidiary records (mechanized and manual) to general ledger.
 - D. Coordinating reviews between accounting activities and serviced activities, to include year-end reviews.
 - E. Documenting evidence required for review efforts.
 - F. Reporting requirements.
 - G. Developing a year-end closing schedule.
 - H. Reconciling the electronic interfaces of obligation transactions.
 - I. Analyzing and reconciling problem disbursements.
 - J. Performing risk assessments, and following and maintaining the internal control checklists.
 - K. Researching and responding to audit findings.
270202. The accounting activity is responsible for:

A. Preparing, analyzing, reconciling, and submitting the required reports on time as specified in Chapter 28, and ensuring that the accounting database serves as the official source of the required reports.

B. Reconciling feedback reports or listings received from the Defense Finance and Accounting Service (DFAS) Center for Sustaining Forces - Indianapolis (see Chapter 29).

C. Performing two basic types of data file analysis. The first type ensures that a basic level of data file accuracy exists (data integrity). The second type ensures that data is transformed into information that resource managers can use to evaluate past budget execution performance, make current decisions, and establish future performance goals (management advice).

D. Ensuring the performance of fiduciary duties relating to the protection of U.S. Government resources and the reporting accuracy of financial information.

E. Ensuring that all formalized communication is complete, accurate, on time, and contains useful information.

F. Resolving problems encountered, following-up on corrective actions initiated or taken, and ensuring preparation of reports on violations or loss of funds, if appropriate.

G. Providing proactive advice on cash management.

270203. The serviced activity is responsible for:

A. Certifying fund availability.

B. Reviewing the status reports produced by the accounting system and furnished by the accounting activity.

C. Reconciling fund status in the accounting system with that in the commitment system.

D. Ensuring funding limitations are not exceeded.

E. Reviewing commitments and taking appropriate corrective action.

F. Reviewing obligation documents for compliance.

270204. The commander/director of an installation or activity is responsible for implementing internal control standards.

270205. The major command (MACOM) and the accounting activity are jointly responsible for carrying out the reporting and disciplinary requirements of the Army validation program.

270206. The allotment/allowance holder is primarily responsible for reviews of unliquidated obligations.

270207. The commander who receives an allowance/allotment of funds is responsible for certification of year-end reports.

2703 INTERNAL CONTROL REVIEWS

270301. DFAS Center for Sustaining Forces - Indianapolis, the accounting activity, and the serviced activity all have responsibilities in this area; however, the commander of an activity or installation is responsible for implementing internal control standards in accordance with AR 11-2.

270302. DFAS Center for Sustaining Forces - Indianapolis is responsible for developing risk assessment procedures for accounting operations and systems. Each functional proponent of the DFAS Center for Sustaining Forces - Indianapolis staff has identified internal controls which are published in the Internal Control Review (ICR) Checklists located in Appendices C, G, H, and R. The checklist is a tool used to ensure implementation and sustainment of prescribed internal controls.

270303. The accounting activity and the serviced activity are jointly responsible for internal control reviews. The accounting activity will perform internal control reviews of the accounting operations and coordinate the results with the serviced activity. The serviced activity will perform internal control reviews of fund control procedures and coordinate the results with the accounting activity.

270304. The completed checklist will serve to identify any weaknesses in operational procedures. Weaknesses can be identified through a variety of ways to include: supervision, managerial oversight, audits, inspections, observation, procedural reviews, and management studies and assessments. Highlight explanations for "NONCOMPLIANCE" responses and develop a plan for corrective action immediately. If the corrective actions are beyond the scope of the accountant's responsibility, advise the appropriate manager to take corrective action. Refer system problems to the functional proponent.

270305. Keep documentation supporting completed internal control reviews in the operation for 2 years after correction of all deficiencies or until the next review, whichever is later.

270306. Include both corrected and uncorrected weaknesses discovered during the fiscal year in feedback statements for the annual reports specified in AR 11-2.

2704 ACCOUNTING SYSTEM REVIEWS

The accounting activity is responsible for overall systems management. Analysis of systems includes comparing automated system capabilities and system operation expectations to current conditions. Determine the reasons for differences between expectations and realities, and implement corrective actions. The following are some examples of systems analyses:

270401. Reviewing system rejects to determine the cause, and taking immediate corrective action. Document system problems for use in the preparation of the system change packages.

270402. Controlling the media, quantity, frequency, and priority of systems for each standard system's products. This requires extensive analysis of requirements, and interaction with the Director of Information Management (DOIM) and serviced resource management personnel.

270403. Reviewing system master files for errors and incompatibilities.

270404. Reviewing system scheduling to ensure meeting all critical suspenses, and making any required updates or changes on an "as required" basis. (This requirement will vary from month to month.)

270405. Reviewing daily cycles for any obvious errors or an inordinate number of rejects in relation to the number of input records and the age of uncorrected errors. (These vary according to installation size and number of serviced activities.)

270406. Reviewing all cycle transmittals and control records for accuracy and completeness before submission.

270407. Reviewing cost transfer system output by block number and assuring that the block total nets to zero.

270408. Optimizing the use of data query techniques. Standardization of these techniques is difficult because they usually are nonrecurring, situation unique, and heavily influenced by local installation coding practices and needs. Initial query efforts will access a single file. However, as the local query capability grows, the need to access more than one file during a single query will become more obvious. Request help from the DOIM to develop the necessary multi-file query capability. This should establish accounting network access to the DOIM mainframes through personal computers. The basic steps of any data query are to:

A. Determine requirements.

B. Obtain automated system access to the required data files for the appropriate accounting periods.

C. Select all the records from the accessed files that meet a defined condition or series of conditions.

D. Arrange the selected records to make data analysis easier.

E. Display or print the selected and arranged records in a useful format with required subtotals, totals, and record counts.

2705 ELECTRONIC INTERFACE REVIEWS

The accounting activity and the serviced activity are jointly responsible for reconciling the electronic interfaces of obligation transactions. The accounting activity will advise the serviced activity of any problems. The serviced activity will ensure all known obligation transactions are input on-line or transmitted to the accounting activity correctly and on time. The serviced activity will retain the hardcopy obligation records.

2706 COMMITMENT REVIEWS

270601. Joint Responsibility. The resource manager and the fund manager are jointly responsible for reviewing commitments and taking appropriate corrective action.

A. The resource manager will:

1. Review commitments to determine if fund availability is exceeded. If fund availability is exceeded, the resource manager will take appropriate corrective action (e.g., redistribute funding targets) to resolve.

2. Evaluate causes for over-commitment and establish controls to preclude recurrence.

B. The fund manager will:

1. Use reports from the standard commitment and accounting system.

2. Research over-commitments.

3. Determine the cause and establish internal controls to prevent recurrence.

270602. Reconciling Commitments to Obligations.

A. The accounting activity will:

1. Provide appropriate system files and reports to the serviced activity for reconciling commitments to obligations.

2. Assist the serviced activity as requested.

B. The serviced activity will:

1. Match commitments in the commitment/accounting system to their open documents.
2. Reconcile open purchase requests in the commitment/accounting system to records in the contracting system.
3. Process adjustments.

2707 OBLIGATION REVIEWS AND RECONCILIATIONS

270701. General Procedures. The serviced activity is responsible for the following obligation reviews and reconciliations:

A. Review obligation documents for compliance:

1. Ensure the accounting classification cited on obligation documents is appropriate for the stated purpose of the obligation.
2. Ensure the amount obligated meets statutory and regulatory provisions.

B. Ensure data file integrity by identifying and providing corrections for abnormal record conditions at least monthly.

C. Perform all reconciliations of non-accounting records to the official records. Also, reconcile subsidiary to control records to detail records. Areas to review include:

1. Commitment ledgers to obligation records to ensure obligations have been recorded in the accounting system and the commitment ledger has been adjusted accordingly.
2. Open contract values to undelivered orders (UDOs) and accounts payable.
3. Supply dues-in to Defense Working Capital Fund-Supply Management Area (DWCF-SMA) UDOs.
4. DWCF-SMA dues-out unfilled orders to consumer fund UDOs.

D. Analyze the timeliness of transaction events (that is, expected delivery and liquidation dates). Identify expected event cycles that should have occurred in the controlling and validating process. Conditions identified outside of established time parameters may be accurate and valid; however, aged records may require additional follow-up action. These "overdue events" require a monthly review. Analyze transactions that fall in one or more of these categories to determine if the volume and dollars are material. Determine which of these conditions are of direct concern to program directors. The command may be reserving funds unnecessarily (old outstanding commitments); not receiving ordered goods and services; not receiving prepaid items; or not recognizing inventory losses (old prepaid inventory). Examples include:

1. Outstanding commitments over 90 days old.
2. UDOs older than the delivery due date.
3. Accounts payable over 90 days old.
4. Prepaid inventory over 90 days old.
5. Transactions suspended over 30 days.
6. Miscellaneous obligation documents (MODs) over 30 days old, 120 days old without activity report.

E. Compare and evaluate program director and command actual performance with plans and goals. These analyses fall into two general groups (obligation analysis and performance statistics analysis), and should occur at least quarterly.

1. Analyze current-year obligation adjustments created by final receipt and disbursement processing. This will identify and correct obligation estimating problems and allow analysis of resources before expiration. Perform this analysis at the program director level by type of obligation. Focus on the cause of differences between obligation estimates and actual receipts and disbursements. Consider ways to improve obligation estimates based on these analyses.

2. Analyze prior year obligation adjustment trends to determine if obligation estimating practices were reasonable. The initial obligations were estimates since actual costs were unknown when ordering the goods or services. Liquidation of these estimated obligations did not take place until the following fiscal year. This analysis may be at both the program director and allowance/allotment levels and stratified by obligation type and appropriation subdivisions. Compare one program director's performance to the average performance of all other program directors. Also compare with the program director's performance of previous years, and the total resources controlled by the program director and the installation at the time of account expiration. For purposes of impact, compare obligation adjustments to total unliquidated obligations at account expiration. Past emphasis has focused on

obligation rates at fiscal year-end. Expand this emphasis to evaluate true execution performance, which is more meaningful in subsequent fiscal years when recording disbursements. This analysis and management advice will assist in better use of funding resources in current and subsequent fiscal year by identifying and correcting past weak obligation estimating practices.

3. Compare actual to planned obligations as defined by the command budget guidance. This analysis is useful for expired appropriations, both at fiscal year-end and monthly, to evaluate adjusted execution performance.

4. Identify inconsistencies or unfavorable trends based on execution analysis results for multiple accounting periods.

5. Segregate records for analysis into groups using automated data query techniques. Identifying abnormal conditions and performing analysis requires access to extensive automated data manipulation capability.

F. Provide management accounting assistance. Program directors must be able to understand automated reports in order to use them effectively and efficiently. They must also understand the intent of each type of feedback and the expected response. Assist the program director's staffs with accounting output, and at least quarterly, prepare a management accounting report for the Director of Resource Management (DRM). In the management accounting report, identify:

1. Activities with excessive travel obligation adjustments.
2. Activities whose travelers do not promptly file settlement travel vouchers, and who do not respond to accounting requests for settlement.
3. Activities with excessive outstanding travel advances.

270702. Reviews of Personnel Compensation and Benefits (Excluding Permanent Change of Station (PCS) Costs).

A. Examine all open civilian payroll transactions to determine if there are any abnormal conditions. Abnormalities may be the result of one or more of the following causes:

1. Payroll and accounting system interface problems.
2. Civilian pay input errors.
3. Personnel support document errors.
4. Program director input errors and failure to review output.
5. Erroneous processing of transactions by others.

6. Foreign currency fluctuation.

7. Accounting input errors.

B. Analyze civilian payroll documentation using the following guidelines:

1. Most local payroll MODs over 30 days old need correction.

Payroll obligations may remain open (unliquidated) for more than one month only when not paid locally (transactions by others (TBOs)). Overseas locations may experience delays greater than one month in liquidating payroll obligations. Develop a working norm for those offices according to the payroll peculiarities and standards for each area.

2. Unique or nonrecurring types of obligations, such as cash awards for performance or suggestions, may remain open for more than one month.

3. There should be no stand alone disbursements; if there are, investigate and correct.

4. Track payroll costs by activity, month, quarter, and year to show significant cost variances. Discuss analysis results with the activity.

5. When the analyses are complete, it may be necessary to interact with the following:

a. Local DOIM on unique system interface problems.

Determine if the problems are installation unique, identifiable to the regional processing center, or world-wide. Long-term unresolved problems may require command attention.

b. Civilian pay for noted abnormal or questionable transactions or patterns.

c. Personnel for erroneous documentation or procedures.

d. Other accounting or disbursing activities for input errors noted on TBOs.

e. Accounting activities, budget officers, and the DRM concerning payroll cost trends. Consider including significant variances in the management accounting report.

6. Review assigned personnel listings to ensure removal of those transferred to other organizations.

270703. Reviews of Costs and Benefits Associated with PCS.

A. The two major problems found in PCS unliquidated obligations (ULOs) are overstated obligation estimates (based on the maximum allowed benefits rather than on individual traveler requirements) and travel settlement delays. This combination may result in failure to adjust overstated obligations to actual disbursements until after the appropriation expires. A PCS may include the following types of obligations:

1. Temporary living quarters.
2. Temporary subsistence.
3. Real estate expenses.
4. Miscellaneous expenses.
5. Relocation income tax allowance.
6. Per diem.
7. Transportation of people.
8. Other reimbursable expenses.
9. Transportation of things.
10. Temporary storage of household goods (HHG).

B. Periodic analysis of PCS obligation estimates will reveal estimating patterns and procedural problems, and will highlight those organization(s) with PCS obligation adjustments exceeding plus or minus 10 percent of original obligations. Accountants will adjust the open records and suggest changes to obligation estimating practices (where warranted) to preclude continued over-estimating of costs and loss of command resources for other requirements. Analysis will also identify if travel settlement is timely. Expected settlement dates by type of PCS obligation are:

1. House hunting trip costs - 15 days after completing a house hunting trip.
2. Per diem, transportation of people, other reimbursable expenses, and miscellaneous expenses - 15 days after the PCS. (Note the possibility of delayed moves by part of the family.
3. Government bills of lading (GBLs) and transportation requests (TRs) - 60 days after the PCS - an additional 30 days for overseas moves.

4. Temporary quarters and subsistence expenses, temporary storage of HHG, and transportation of HHG - 90 days after the PCS, an additional 30-45 days for overseas moves.

5. Real estate expenses - within 30 days after each real estate closing, but not to exceed 2 years after the PCS.

6. Relocation income tax allowances - by April 30 of the calendar year following the year of the PCS expenses or payment.

C. Local command procedures will dictate suspense dates to travelers for submission of partial PCS settlement vouchers. Program director follow-up is necessary every 60 days until liquidation of the entire PCS obligation. Adjust obligations based on the latest information received from travelers. Adjustments may be due to travelers' over estimating the weight of household goods, or changing their decisions to sell (or buy) a house or ship their automobiles overseas.

D. When PCS reviews are completed, inform the program directors of PCS adjustments, problems noted, and their delinquent advances. Also inform the accounting activity and the DRM/Comptroller of actions taken and any future actions required.

270704. Reviews of Travel, Per Diem, and Transportation of Persons (Excluding PCS).

A. Travelers should submit settlement vouchers within 15 days of travel completion. Program directors are responsible for prompt settlement by their travelers since, for most cases, the travel advance cited is the same as the travel orders, except for the element of resource (EOR).

B. Per diem obligations will not remain open more than one month after submission of a travel claim.

C. Develop local standards to control the time period that obligations will be open for rentals, leases, charter of passenger-carrying conveyances and payments to foreign carriers.

D. When using a locally issued TR to obtain tickets, and the amount obligated does not include other travel entitlement, liquidate the obligation within one month.

E. Obligation amounts that include entitlement normally reimbursed directly to the traveler on the settlement voucher will not remain open more than one month after submission of the travel claim.

F. If the traveler uses a TR issued at a remote location or by Air Mobility Command, and a military transportation authorization (MTA), the portion of the obligation

covering the TR or MTA may remain open for several months. If the net obligation initially included amounts for TRs or MTAs and items reimbursed on the per diem settlement voucher, liquidate that portion applicable to reimbursable entitlement after processing the per diem voucher.

G. When a disbursing activity other than the one servicing the funded installation makes a per diem or transportation payment, these obligations may remain open for 60 to 90 days.

H. There should be no unliquidated travel obligations over 180 days old. If this condition exists, a written response from the traveler is required to show that settlement action is forthcoming.

I. Identify and take corrective action (including elevating the problem through the chain of command) for activities whose travelers do not file settlement vouchers within the established timeframes.

J. Identify activities that consistently make poor travel estimates by using obligation adjustment statistics.

K. Identify number of computation errors of travel personnel on settlement vouchers by month and initiate corrective action.

L. Review transportation obligations not supported by transportation requests that are outstanding over 45 days. Determine validity and, in those cases where the per diem portion of an obligation was liquidated but the TR was not, review the traveler's voucher.

270705. Reviews of Transportation of Things (Except PCS HHG Shipments).

A. Analyze transportation of things unliquidated obligations records. Research and eliminate all undelivered orders and age all accounts payable records.

B. Review accounts payable for GBLs over 60 days to determine causes for delays.

C. Charge local move drayage costs (no GBLs issued) to local pack and crate contracts and liquidate within 30 days.

D. Liquidation of demurrage and detention costs may be delayed if documents for the charges previously obligated are "batched." Accountants must determine materiality of all demurrage and detention charges. (For example, number of incidents and dollar amount of charges, compared with total cost of items and activity fund availability).

E. When the reviews are completed, inform the DRM/Comptroller of significant unresolved transportation document problems. Inform the program directors and

DRM/Comptroller of significant demurrage and detention costs. Also inform the program directors of significant estimating problems.

270706. Reviews of Contracts.

A. Age and examine all contract obligations to identify abnormal or exceptional unliquidated conditions. Abnormal conditions could result for the following reasons:

1. Delays in recording receipt of goods or services.
2. Performance irregularities (for example, goods or services provided by terms other than those specified in the contract).
3. Failure to monitor and recoup contractors' advances or progress payments.
4. Under or over estimates of costs for service or maintenance contracts.
5. Failure to record obligations at net of discount, if warranted.
6. Undocumented amendments to the scope of the contract.
7. Recording errors.
8. Lack of performance by the performing activity for ordered reimbursable services.
9. Failure to track the progress of contracts, and act based on changes in scope or completion schedules.
10. Uncleared or misrouted TBOs.
11. Payment of interest penalties.

B. Identify the problem source and responsible activity, and take appropriate actions necessary when:

1. Violation of any obligation rule occurs.
2. Violation of the bona fide needs rule occurs based on undelivered orders outside the established delivery schedules, or over 120 days old.
3. Upward adjustments may have caused a violation of 31 U.S.C.

1517.

4. Formal contracts do not replace letter contracts or MODs within 30 days.

5. Contractual services associated with temporary duty (TDY) training remain unliquidated over 60 days after estimated completion of training.

6. Actions indicate deviation from the progress or performance specified in the agreement.

7. Performance requirements on contracts with progress payments are not met, or progress payments paid to contractors are not recouped.

8. Differences exist between receipts and payments on multiple delivery contracts.

9. An activity is incurring interest penalties. Trend these payments by month and program director.

10. A review of reimbursable service contract obligations over 90 days old shows no record of accruals or payments. Contact the performing activity to determine performance through year-end and validate unfilled orders. See Table 27-2 for year-end adjustment procedures.

C. Based on the analysis performed, accountants will report to, and interact with, one or more of the following:

1. Program Directors. The following will be identified:
 - a. Material variances between estimated obligations and actual costs.
 - b. Contractors with poor performance records.
 - c. Aged undelivered orders for revalidating bona fide need requirements and obtaining current delivery status.
 - d. Missing documents or document flow problems (for example, receiving reports and obligation documents).
 - e. Current interest penalty payments and historical trends by activity.
 - f. Apparent violation of obligation rules.

- g. Apparent misuse or overobligation of funds.
 - h. Orders that should be liquidated and/or balances withdrawn prior to fiscal year-end.
- 2. Performing Commands. Request status of reimbursable services.
- 3. Accounting Activities, Vendor Pay.
 - a. Monitor recoupment of contractor advances or progress payments.
 - b. Identify differences between receipts and payments on multiple delivery contracts.
- 4. Accounting Activities, Travel. Correct input errors made by travel in final TDY settlement vouchers (for example, registration fees for training in conjunction with travel charged to the incorrect EOR).
- 5. Printing office. Identify the billing document mismatches with original obligating documents and attempt to resolve billing problems.
- 6. Disbursing Activities. Obtain missing or misrouted TBOs.
- 7. Budget Office.
 - a. Request assistance for continuing problems with program directors, contracting officers, and performing commands.
 - b. Develop and publish consistent command accounting policies and procedures jointly with the accounting activities, serviced activities, budget officer, and DRM.
- 8. Accounting Activity.
 - a. Identify the extent and impact of workload backlogs (for example, unprocessed transaction by others (TBO) and interfund bills).
 - b. Request assistance for continuing problems with accounts payable, travel, GPO, other disbursing activities, and so forth.
- 9. DRM and Commander.
 - a. Identify the extent and impact of workload backlogs.

- b. Provide analysis results that are of command interest.
- c. Elevate continuing problems that need command resolution.

270707. Reviews of Non DWCF-SMA Supplies and Materials.

A. Use data query capability to age the transactions. Sort them by the document number that distinguishes them from DWCF-SMA items. Common causes for abnormal record conditions include misrouted or late receipt of documentation, delays for long lead time items, or old orders for which a bona fide need no longer exists.

1. Research accounts payable over 30 days old. Reconcile accounts payable with accounts payable activity records to ensure the validity of amounts and status, and to determine cause for delays in payment.

2. Examine undelivered orders over 90 days old to determine the delay in delivery. Contact the ordering activity and the budget officer to determine their current bona fide need.

3. Based on interaction with ordering activities, annotate long lead-time items to avoid unnecessary analysis on these records.

B. Reporting requirements consist of the following:

1. Communicate often with the ordering activities. Correct document flow problems, to identify long lead-time items on aged undelivered orders. Determine the current bona fide need for aged undelivered orders. Contact the budget officers when necessary to determine bona-fide need requirements.

2. Identify problems noted in accounts payable reconciliations with accounts payable records and highlight unresolved problems to the accounting activity.

3. Inform the contracting officer of specific vendor problems.

270708. Reviews of Supplies and Materials.

A. Keep general ledger accounts in balance with the data retained in the supply subsystem. Use materiality, statistical sampling, and automated stratifying while considering the volume and historical patterns of the installation's transactions.

1. Research and correct all stand-alone collections or disbursements monthly. Standard document number (SDN) mismatches are likely, but receipt of items not ordered or improper or duplicate billings may also occur. Timely analysis is necessary to obligate items already received and paid for.

2. Research inventory-in-transit values over 90 days old. Contact ordering or receiving activities for the status of receipt and request documentation.

3. Research accounts payable more than 60 days old. Most interfund (IF) billing is generated by a materiel release order that often precedes requisitioned materiel receipts. Contact the seller for billing information and rebilling, if required (See Chapter 20).

4. Research significant inventories in transit or accounts payable that exceed the obligation. These conditions result from overcharges, item substitutions, price adjustments, quantity changes, or Army Master Data File (AMDF) catalog errors. Contact both the ordering and supply activities to verify quantity and unit price. Record obligation adjustments immediately.

5. Research all transactions open over 90 days that have an obligation and receipt, when the final disbursement is not reported. Review quantities and unit prices to identify partial shipments, partial billings, or partial receipts. If quantities agree, process adjustments to clear the line. If quantities disagree, verify reported amounts with responsible activities.

6. Research suspended interfund transactions and correct in a timely manner.

7. Research and resolve interfund bills that appear on the uncleared listings.

8. Research accounts receivable and follow up on aged transactions to avoid write-offs.

B. Ensure the accuracy of records for supply items through frequent and extensive interaction with supply activities, consumer fund activities, program directors, and logistic support organizations. Continuous monitoring with feedback to all activities helps assure proper use. Trace the problems identified by analysis to the transaction point of origin. Analyze and provide management advice frequently to correct small problems before they become major.

270709. Reviews of Prompt Pay Interest Penalties.

A. Determine reasons for interest penalties. For example, accounts payable backlog or errors, document flow problems, accounting activity document control problems, or late receiving of reports.

B. Provide trends of payments to the accounting activity, the local and remote serviced activities, the DRM, and the commander.

★2708 TRIENNIAL REVIEWS OF COMMITMENTS AND OBLIGATIONS

270801. 31 U.S.C. 1554(D) requires establishing internal controls to ensure an adequate review of obligated balances is conducted to support the year-end certification required by law. The Department of Defense (DoD) requires that commitment and obligation transactions recorded in the official accounting systems be reviewed for accuracy, completeness, and timeliness at least three times each fiscal year. The requirement for reviews of commitments and obligations applies to all appropriations and funds of all DoD appropriations. This requirement applies not only to direct appropriations, but also to all reimbursable transactions, as well as the Department's revolving and trust funds. See the DoDFMR, Volume 3, Chapter 8, Section 0804 for more information on the requirements for these reviews.

270802. Accounting Activity Roles and Responsibilities.

A. The accounting activity will prepare the initial draft of the joint review schedule for the managerial accountants at the beginning of the fiscal year for the entire fiscal year. The accounting activity will coordinate the draft schedule with the managerial accountants who will finalize the schedule. The accounting activity will initiate requests for special reviews as they deem appropriate. They will provide fund holders with listings or automated media identifying unliquidated obligations recorded for the fund holder. The accounting activity also will provide listings or automated media identifying accounts payable and accounts receivable which will allow the funds holder to verify proprietary accounts (as well as budgetary accounts) and thus ensure that proprietary and budgetary accounts are valid, accurate and reconciled. The transaction media must be such that the review can be documented and individual transactions can be annotated if the review reveals further action is required. The accounting activity will also provide any other documentation necessary to perform the reviews, such as payment status, collection status, and document histories.

B. The accounting activity will give their full support to the review effort. If requested, the accounting activity will assist fund holders in the conduct of their reviews by:

1. Assisting in the identification and organization of transaction groupings in such a manner so as to facilitate the review by different segments of the fund holder's organization.

2. Assisting in the identification and correction of situations that may delay the recording of commitments or obligations, or the matching of disbursements to obligations.

3. Entering corrections identified by the fund holder when such corrections are adequately documented and the entry of such transactions is the normal function of the accounting activity.

270803. Fund Holder Roles and Responsibilities.

A. The DRM and equivalent fund manager for tenant organizations have the ultimate responsibility to ensure joint reviews are conducted in accordance with the requirements of this regulation. Fund holders are responsible for conducting the reviews of outstanding commitments and unliquidated obligations (to include accounts payable and accounts receivable), irrespective of whether the fund holder or the accounting activity actually enters transactions in the official accounting system. This responsibility is placed on the fund holder because they initiate the actions that result in commitments and obligations; and therefore, they are in the best position to determine the accuracy and the status of the transactions.

B. It is the function of the managerial accountants to coordinate and finalize the schedule of joint reviews. The managerial accountants will prepare the final joint review schedule at the beginning of the fiscal year for the entire year and will coordinate with accounting directors, the accounting activity, and other appropriate personnel as required. At those installations where there are no managerial accountants, the accounting activity will take the lead in scheduling and conducting the joint reviews. In all cases, the full responsibility of the joint review rests with the DRM/fund holder. The joint review will include managerial accountants, budget analysts, program directors, and accounting activity personnel as required. Contracting, logistics, legal and internal review personnel may be utilized to assist in the joint review process. The servicing accounting activity is responsible for providing professional accounting services to host and tenant resource management organizations.

C. The MACOM DRM should establish a joint review task force comprised of the personnel identified previously. This task force should:

1. Develop a MACOM joint review plan that identifies MACOM review goals.
2. Perform site visits to subordinate installations in need of assistance.
3. Regularly review installation orders and payables listings and identify questionable unliquidated obligation line items and amounts.

D. Fund holders will establish aging criteria for identifiable groups of transactions that are based on the normal transaction cycle for such transactions. For example, review contract commitments once the normal timeframe for contract award has elapsed. This may be longer than the normal cycle time for a purchase order. The same is true for obligation transactions; purchase order delivery time frames normally would be shorter than the delivery time for a major weapons system procurement contract. Document the criteria for each group of transactions include it in the review documentation.

E. The serviced activity and accounting activity will verify that the corrections and adjustments resulting from the review process are recorded in the accounting system. Additionally, the serviced activity and accounting activity will ensure that supporting documents for obligation adjustments are maintained.

270804. Joint reviews should ensure that all known commitments, obligations, orders, earnings, disbursements, collections, accounts payable, and accounts receivable are properly recorded, and that the amounts reported are correct and in agreement with subsidiary records. Validate individual documents comprising the subsidiary records at least once during the fiscal year. Joint reviews will also ensure the following is accomplished:

- A. Full verification and validation of the dollar amount of all unliquidated obligations and unfilled orders recorded in the accounting records.
- B. Complete verification of the continuing bona fide need of contractor work-in-process.
- C. Verification of billing status to ensure that payments are in accordance with contract requirements (both frequency and amount).
- D. Complete verification of the continuing bona fide need for goods and services that have not been delivered.
- E. Identification and cancellation of nonessential goods and services, and subsequent deobligation of associated unliquidated obligations.
- F. Initiation of actions to implement quick close-out or interim payment procedures for contracts funded by expired appropriations due to cancel by fiscal year-end. This will ensure that valid payments against these contracts are made prior to cancellation of funds.
- G. Review of all delinquent travel advances to ensure that appropriate collection actions are initiated.
- H. Validation of individual documents comprising the subsidiary records at least once during the fiscal year. Maintain work papers and records supporting the above in a manner that facilitates subsequent audit and reconciliation.
- I. Reconcile and match to an obligation or obligate all known outstanding problem disbursements, i.e., negative unliquidated obligations (NULOs) over 180 days old.

270805. Perform the joint review process in three phases throughout the fiscal year.

- A. Phase I (October - January). Complete this phase by January 31st..

1. Review transactions funded by appropriations that are expired and will cancel on October 1st of the next fiscal year. At the end of this phase, the only unliquidated obligations remaining in support of appropriations that will cancel on October 1st of the next fiscal year should be for contracts (object class '25') that represent firm liabilities for which there is substantial evidence of work in process, and that will require payment. Take action during this

phase to ensure the initiation of quick close-out or interim payment procedures for contracts funded by expired appropriations due to cancel by fiscal year-end. When there must be an external audit prior to contract closure, initiate action to ensure audits are requested and completed to enable final payment prior to close of the fiscal year.

2. Verify the validity of unexpired obligations and the amount recorded, with priority given to significant dollar amounts and aged transactions.

B. Phase II (February - May). Complete this phase by May 31st.

1. Review all transactions funded by expired appropriations which will not be canceled at the end of the current fiscal year. By the end of this phase, the only remaining unliquidated obligations supported by expired appropriations should be for contracts and long lead time supply and equipment items for which there is a continuing bona fide need.

2. Follow-up on Phase I efforts to ensure corrective actions are being taken as planned.

3. Verify the validity of unexpired year obligations and amount recorded, with priority given to significant dollar amounts and aged transactions.

C. Phase III (June - September). Complete this phase by September 30th.

1. Review all unexpired year unliquidated obligations and the amount recorded, with priority given to significant dollar amounts and aged transactions. Adjust all orders, contracts, requisitions, etc., to ensure that the unliquidated obligation amount is correct.

2. Follow-up on Phase I and II efforts to ensure corrective actions are being taken as planned.

270806. See the DoDFMR, Volume 3, Chapter 8, paragraph 080403 for the minimum review requirements. Management at any level may require more detailed or more frequent reviews to ensure the timeliness and accuracy of the financial records of the fund holder.

270807. Reporting Requirements.

A. Following each joint review, managerial accountants will document the reviews and provide the following to the fund holder, DRM, Program Director, etc. with a copy furnished each applicable accounting activity. Phase I reviews must be documented by February 14th, Phase II reviews by June 14th, and Phase III reviews by October 14th.

1. Canceling accounts – deobligated/obligated

2. Aged accounts – 30, 60, 90

3. Significant dollars addressed/identified
4. MODs – age of, validity
5. NULOs – age of, reconciled, validated
6. Unmatched disbursements (UMDs) – age of, reconciled, validated
7. Travel advances – number, dollars, age

★ B. Each fund holder receiving a formal subdivision of funds must complete a formal signed confirmation statement, attesting to the accomplishment of the review and accuracy and completeness of the recorded amounts. Complete the review documentation and the confirmation statement by February 21st, June 21st and by September 30 of each fiscal year.

See the DoDFMR, Volume 3, Chapter 8, Paragraph 080405 for the specific documentation and confirmation requirements. The confirmation statement will state: I hereby confirm that the triannual review for phase _____, period ending _____, was completed and accomplished in accordance with DoD Financial Management Regulation, Volume 3, Chapter 8, Paragraph 080401 through 080406 and DFAS-IN Regulation 37-1, Chapter 27, Paragraph 270801 through 270807.

C. Certification of the year-end financial statements will suffice for the Phase III requirement. The certification statement date should be the date the review was completed not documented.

D. To the extent a fund holder is unable to confirm the accuracy of commitment or obligation amounts, provide a full explanation of why they are unable to do so, and the corrective actions being taken, to the funds grantor.

E. Army Commands and activities will ensure joint reviews are performed and will submit to Headquarters, Department of Army, DASA(FO) the signed certification statement or exception reports. The exception reports are submitted when fund holders are unable to complete the required review or confirm the accuracy of the reported commitments and obligations. A full explanation of why fund holders are not able to confirm the accuracy of their commitments or obligations as well as the corrective actions being taken, must be submitted to DASA(FO) by March 2nd, June 30th and October 30th.

F. Fund holders will maintain, for a period of 24 months following the completion of the review, documentation that is sufficient to permit independent organizations to verify that the review was accomplished as required.

2709 GENERAL LEDGER RECONCILIATIONS

270901. Reconcile general ledger account balances, subsidiary ledger values, and outgoing report values monthly. Reconcile manual subsidiary records to pertinent general ledger

accounts and open documents files at least once each quarter. Stagger the reconciliation, if necessary, by type of balance or allotment. If this is done, reconcile each subsidiary file at least every third month.

270902. To accomplish reconciliations:

A. Develop a planned, formal, program of reconciliations. Include identification of both the responsible accounting activity and the name of the individuals for each reconciliation.

B. Maintain documentary evidence of the performed reconciliations.

C. Correct discrepant conditions as they occur to ensure minimal amounts of time and effort are spent in monthly or annual reconciliations. For example:

1. Correct all out-of-balance conditions and edit errors before month-end.

2. Correct all subsidiary ledger errors before month-end.

D. Record the monthly journal vouchers (JVs) to adjust the disbursing officer's (DO's) cash and funds with the Treasury or any other required adjustments to the general ledger before reconciliations.

E. Reconcile general ledger account balances with subsidiary records.

1. Perform this reconciliation at least monthly to validate the integrity of the accounting system. Verify the accuracy of the general ledger accounts during the accounting period, and at the end of the accounting period before the preparation of reports. General ledger balances, subsidiary ledger balances, outgoing report values, and mechanized subsidiary file values are required to be equal.

2. Research differences and erroneous values, and correct promptly by processing transactions in books of original entry. Report abnormal balances or questionable account balances to the serviced activity and request assistance in resolving as appropriate. The value of the subsidiary files must govern the values of the outgoing reports, subsidiary ledgers, and general ledger accounts. The serviced activity will report material discrepancies to the accounting activity for correction, and contact the accounting activity if an abnormal condition is not corrected within 45 days. The serviced activity will ensure the general ledger accurately reflects the financial posture of the activity.

3. Keep work papers as part of the general ledger reconciliation file.

F. Reconcile accepted reporting data in feedback files/reports from DFAS Center for Sustaining Forces - Indianapolis to outgoing reports (see Chapter 29).

2710 REIMBURSABLE ORDERS REVIEWS

271001. Perform customer order reviews twice a year and include the analysis of both the execution and reimbursement status of the order. Analyze the timeliness of transaction events. Identify expected event cycles that should have occurred. Conditions identified outside of established parameters may be accurate and valid, but should be verified by the performing activity.

A. Review documentation to ensure customer order files include a copy of the order (DD Form 448), order acceptance (DD Form 448-2) and funding documents if applicable.

B. Verify that funded orders received are less than or equal to the funded reimbursable authority (FRA) provided in the funding documents.

1. Orders in excess of authority received may indicate the possibility of direct funds used for the reimbursable mission. If this condition exists at fiscal year-end, the installation will have lost the use of direct funds in the amount of the excess of orders over authority. An antideficiency violation may exist.

2. Funded orders received less than the authority provided may give a false illusion of funds being available for obligation. If used this could result in an over-obligation.

C. Funded and automatic orders received that are significantly over or under the program established by the responsible resource managers may indicate:

1. Errors made in the budget process.
2. Failure to monitor and adjust the program to more realistically reflect execution anticipated.
3. Errors made in establishing or recording orders received.
4. Reassessment needed of the resource posture and mission requirements of the performing activities.

D. Review the unobligated and unliquidated balances in accordance with procedures set forth in this chapter.

E. Review earnings to verify that all costs incurred have been billed to the customer. If the sale is from inventory stock, the earning is based on the shipment. For open orders over 90 days old, contact the performing activity on the shipment status.

1. Earnings in excess of orders received indicates the use of direct funds to support a reimbursable mission, the need for order adjustments, or errors in determining or recording reimbursements earned.

2. Earnings less than disbursements indicates an error in determining or recording reimbursements earned.

F. Review accounts receivable and debt balances in accordance with procedures set forth in this chapter.

271002. Communicate the results of analysis efforts to managers. Provide managers and higher command levels the results of the formal status reports required by regulation. Ensure that the information provided to managers is clear, concise, timely, accurate and responsive to their needs.

271003. See Table 27-2 for write down procedures.

2711 TRANSACTIONS FOR OTHERS/TRANSACTIONS BY OTHERS (TFO/TBO) TRANSACTION REVIEWS

271101. The accounting activity will reconcile all cross disbursing and TFO/TBO transmittals and transactions using the output generated by the accounting system. This includes:

A. Analyzing TBO Transactions. Identify those that meet the DFAS Center for Sustaining Forces - Indianapolis criteria for accelerated clearance, or absorption of nominal items and aged uncleared transactions, where it is not cost effective to perform extensive research to determine their disposition. This will ensure that the records only reflect valid uncleared transactions.

B. Analyzing Error Listings/Files from the Prior Month's RCS CSCFA-304 Report. Ensure correction of all alpha errors and related local master file errors are in the current month's report. Review numeric errors to determine the need for additional corrections. Verify the validity of the DFAS Center for Sustaining Forces - Indianapolis expenditure edits and local master files.

C. Reviewing Accounting Activity Performance. Research and clear uncleared transactions in suspense project 9966. Transactions recorded in suspense project 9966 will remain no longer than 120 days, after which time the accountable station will absorb the payment into mission funds. Review the timeliness of TBO receipt and processing, the number of suspended records, and the number of rejected transactions and their origination, to identify problem disbursing activities. Also review suspended transactions and errors to determine causes and preventive actions required.

D. Ensuring that Suspended TBOs are Monitored and Cleared Expeditiously. Clear all TBOs within 30 days of receipt.

E. Analyzing the TBO Control Log, RCS CSCFA-304 Report, and the DFAS Center for Sustaining Forces - Indianapolis Uncleared Listing. Ensure these reports/listings agree, or determine why they are not in agreement. Correct any deficiency.

271102. Research instances of a TBO causing a disbursement without an obligation, or a collection without an order-receivable condition. Analyze to determine cause, effect, and corrective action necessary, unless the absorption policy applies.

271103. DFAS Center for Sustaining Forces - Indianapolis will furnish the following files/listings for use in analyzing, monitoring and controlling the TBO process (see Chapter 31 for details):

A. Consolidated Expenditure Edit System Monthly Edit Accepted/Error Listings. These listings provide the submitting activity with the transactions accepted or erred out by DFAS Center for Sustaining Forces - Indianapolis edits.

B. TFO/TBO Reporting System Transmittal Recap. This recap shows all charged and uncleared acceptances processed by DFAS Center for Sustaining Forces - Indianapolis for the current month.

C. TFO/TBO Reporting System Total Uncleared Files. These files show all TFOs/TBOs and rejects not cleared through the DFAS Center for Sustaining Forces - Indianapolis TFO/TBO clearance system.

2712 INTERFUND REVIEWS

271201. Analyze interfund transactions by reviewing output reports, both internal and external to the installation. Internal reports assess data integrity, and DFAS Center for Sustaining Forces - Indianapolis reports assess timeliness and efficiency of interfund processing. Use the following summary of analysis information provided by selected files/listings as a guide for monitoring specific elements of the interfund processing:

A. Monitor file integrity and work flow efficiency using daily output.

B. Identify workload volume variances and internal control weaknesses using the Consolidated Expenditure Edit System Monthly Edit Accepted/Error Listing. Reconcile the Edit Accepted List to the Status of Funds reports (see Chapter 29).

C. Identify error trends and accounting master file problems or inconsistencies using the Consolidated Expenditure Edit System Monthly Edit Error Listing (see Chapter 29). Correct alpha errors in the next month's submission. Review errors to determine the cause and initiate corrective action to prevent future errors.

D. Identify billing offices consistently failing to respond to follow-up requests using the Interfund Reporting System Aged Uncleared Billings Recap or the Interfund Suspense History Listing. (See Chapter 29.) The success of clearance actions at DFAS Center for Sustaining Forces - Indianapolis is dependent on the exact match of the billing DoD activity address code (DODAAC), bill number, and amount. The longer transactions remain uncleared, the less chance there is to resolve problems. (Note: Clear interfund bills within 30 days).

E. Identify expenditure differences between the RCS CSCFA-304 report and interfund disbursement amounts reflected on installation status reports.

F. Compare the Report of Outstanding Requests for Billing Adjustment or Duplicate Billing (DA Form 4875-R) with the Analysis of Balances in Suspense. This report will support requests for arbitration submitted to the MACOM.

271202. Analyze suspended interfund transactions. Identify those transactions meeting the DFAS Center for Sustaining Forces - Indianapolis criteria for accelerated clearance or absorption of nominal items and/or aged uncleared transactions when extensive research is not cost effective.

2713 DISBURSEMENT AND COLLECTION REVIEWS AND RECONCILIATIONS

271301. The accuracy of the daily business pertaining to vouchers paid and collected depends upon three separate functions (disbursing, accounting, and reports and analysis) reaching agreement on the validity of vouchers and the numbers included in the Statement of Accountability (SOA) report and related accounting reports (see Chapter 28).

271302. Internal controls for disbursing operations include check and balance functions, such as:

- A. Unannounced cash counts.
- B. Accounting verification of cash blotter and check issue records.
- C. Accounting validation of cash and check collections through lock box controls.
- D. Accounting analysis and controls over disbursement and collection source documentation and vouchers, and automated interface of disbursement data from other systems.
- E. Treasury, DFAS Center for Sustaining Forces - Indianapolis, and local accounting processes for validating SOA data and related payment/collection vouchers.
- F. Treasury and DFAS Center for Sustaining Forces - Indianapolis controls over bank deposits, recertified checks, and checks issued and negotiated.

G. DFAS Center for Sustaining Forces - Indianapolis, MACOMs, and local accounting controls over balances in the DO's deposit fund accounts.

H. Accounting oversight and internal disbursing office controls over cashier operations, cash in hands of agents, and the voucher authentication process.

I. DFAS Center for Sustaining Forces - Indianapolis, MACOM, and local quality assurance (QA) reviews of the accounting and disbursing operations.

271303. Reconcile all expenditure and collection data to ensure compatibility between the expenditure and status reports. Reconciliations listed below are minimum requirements.

A. Cash Blotter to Statement of Transactions (SOT). Reconcile the net value of disbursement and collection data maintained at the appropriation, fund, or receipt account level with the net value of gross collections and gross disbursements shown on the cash blotter.

B. SOA (RCS CSCFA-302-A) to SOT RCS CSCFA-302-T. Reconcile the net disbursements reported on the CSCFA-302-A with the reimbursements and disbursements on the CSCFA-302-T. Assure that dollars accounted for by the disbursing activity agree in total with the data reported by the accounting activity. Research differences with the disbursing activity and correct before sending reports to DFAS Center for Sustaining Forces - Indianapolis. Review feedback files/reports provided by DFAS Center for Sustaining Forces - Indianapolis. If there is a difference between the SOA and SOT, DFAS Center for Sustaining Forces - Indianapolis will charge the difference to 217F3875.8825. Research and correct the differences in the next reporting period. Do not "plug" the SOT to equal the SOA.

C. Expenditure Reports to Status Reports. Reconcile the SOT (CSCFA-302), the Fiscal Station Accounting Clearance Report (CSCFA-304), and the Statement of Interfund Report (TREAS-1061) to the status reports. Reconcile the disbursement and collection data on the monthly CSCFA-302, CSCFA-304, and TREAS-1061 reports with the cumulative and monthly disbursement and collection on the status reports. Adjust the status reports to agree with expenditure reports, and process the required adjustments in the next cycle. Determine the cause for differences and take corrective action.

D. Command Expenditure Report. DFAS Center for Sustaining Forces - Indianapolis furnishes the accounting activities a monthly Command Expenditure Report (CER) file, which identifies any differences between the two reporting processes. (See Chapter 29.) The accounting activity will reconcile these differences monthly and initiate proper corrections in the next month. Obligate amounts over 90 days old. For canceled accounts, status-CER differences are authorized when "by others" expenditure transactions properly made before an account canceled are cleared and reported in the expenditure reports after the account canceled.

271304. The Reports and Analysis Branch of the Accounting Division will perform the following:

A. Ensure reconciliations of the totals of original disbursement/collection vouchers received from disbursing each day to the check register and cash blotter in disbursing, and with the automated accounting system totals of vouchers processed by accounting. This completes a three-way check to detect errors and fraudulent practices. Examine the original vouchers to ensure they contain either signatures or check numbers as required. Retain the original vouchers in a locked container until month-end. At month end, distribute the original vouchers in accordance with the DoDFMR, Volume 5 and Chapter 2 this regulation.

B. Account for copies of cash collections.

1. Disbursing provides accounting with copies of cash collection vouchers processed each day. Ensure that the vouchers reflect both the internally-assigned collection voucher number, and a sales or collection voucher number assigned by the sales/collection office. Each sales or collection office (such as Defense Reutilization Marketing Service (DRMS) or dining facility) uses a consecutive series of voucher numbers. Ensure the receipt of all vouchers and processing of the original voucher in the accounting records. Account for all voucher numbers assigned by disbursing and individual voucher numbers assigned by sales officers making indirect collections.

2. Remove cash collection vouchers daily that have been deposited by the payees in a locked box located outside the disbursing cage. Verify these vouchers with both the original vouchers and with the processed accounting system totals.

3. Review original collection vouchers to identify transactions reported on the CSCFA-302 report. Notify the collecting activity or sales officer immediately if numbers are not sequential. Notify the senior accounting official if the amounts on the original and copy of the voucher do not agree.

C. Receive and maintain vouchers citing the deposit fund account as a subsidiary ledger/file to the general ledger account for disbursing officer deposits. Assure that the collections belong in the deposit fund. Prior to payment by disbursing, review vouchers and claims submitted for payment citing deposit fund accounts. Verify that payment does not exceed the amount collected for that purpose as recorded in the subsidiary ledger. Reconcile the DO's Deposits Listing produced by the accounting system to the actual documents recorded in the subsidiary ledger. Retain these amounts no longer than necessary. Review the account at least monthly, to determine proper disposition of funds. Amounts in these accounts must reconcile back to the DO's Deposit Fund Activity Report (see Chapter 29).

D. Monitor and reconcile documents received from civilian pay and disbursing for Civil Service Retirement System/Federal Employees Retirement System (CSRS/FERS deductions and Savings Bonds).

E. Monitor and reconcile documents for the deduction of taxes from military personnel's compensation. Monitor and reconcile documents for disbursements associated with

the Army Suggestion Program and do-it-yourself (DITY) moves. Reconcile the DO Deposit Listing with military pay and disbursing.

F. Research TFO reject letters from funded fiscal stations that rejected transmittals on CSCFA-110 reports. (Note: Clear all unprocessed TBOs within 30 days).

271305. The imprest fund cashier will provide accounting (vendor pay) with supporting documents at least once a month. The commander/director of the disbursing activity will conduct an unannounced cash count once a quarter to ensure cash and unrecorded vouchers agree with the imprest fund cashier's cash.

2714 CASH MANAGEMENT

271401. Accountants will assist in the establishment and continuous evaluation of controls within the daily reconciliation routine to detect:

- A. Excess cash holdings.
- B. Transactions suitable for non-cash instruments.
- C. Late and early payments.
- D. Lost discounts.
- E. Untimely deposits to the Treasury General Account or Federal Reserve Bank.
- F. Poorly developed or erroneous cash forecasts.
- G. Untimely billing cycles.

271402. Accountants will monitor cash outflows to ensure that disbursements are delayed as long as legally possible. Analyze the method of disbursement to ensure an effective cash management program.

271403. The senior official at the accounting activity will establish the necessary internal operating controls to ensure timely payment of accounts. Significant amounts of early payments, lost discounts, or interest penalty payments should alert accountants that resources are not being used effectively. Monitor and evaluate payments to contractors using these techniques:

A. Contract terms. Review contract terms to ensure that payment terms are identified. Periodically review contracts returned as incomplete contracts. Sample invoices for compliance with the contracts. Accountants will contact the procurement office and provide any information on compliance concerning deficiencies that would assist that office in preventing future problems.

B. Early payments. Compare actual payment dates with the due dates. Identify the reasons for early payments.

C. Lost discounts. Review the Lost Discounts Reports to determine why discounts are lost and the materiality of the amounts. Reasons for lost discounts may be procedural problems, late receipt of receiving reports from serviced activities, or inadequate vendor procedures. Contact the responsible offices to identify corrective action and preclude continued loss of installation resources.

D. Interest penalties. Interest penalties may result from late receipt of receiving reports or inefficient processing procedures within accounting. Identify the problems to the responsible offices.

E. Advances and progress payments. Evaluate advances to contractors and progress payments for reasonableness, accuracy, and compliance with contracts.

271404. Monitor collections and cash on hand using the following analysis techniques:

A. Identify collections received by mail and those received "in person" or "over the counter". Analyze receipts to ensure that deposits are being made on the day of receipt by comparing the date of receipt with the date of deposit. When determining if same day deposits are being made, count the receipt date as the day the cash or check was received by a U.S. Government agent or activity. Upon change of banks or deposit procedures ensure that the receipts are deposited in a Federal Reserve Bank or in a bank that makes daily transfers to the Treasury's General Account. Periodically ensure that the deposits are made in time for the bank to transfer funds to the Treasury General Account if the bank is not a Federal Reserve Bank.

B. Identify serviced activities that collect cash, and review their procedures. If they submit receipts to accounting, ensure that they sequentially number and submit the collection vouchers in time for the daily deposit. For activities that deposit collections directly in the bank, ensure that they sequentially number the deposits and make them within established timeframes. Periodic sampling should identify any routine delays requiring corrective action by the accounting activity.

C. Review daily cash outlays closely to forecast cash needs. Segment the various components that make up the "needs" to their lowest elements to allow better analysis of trends and aberrations. Use a historical average (based on time of month and/or day of the week) to project cash needs for those items which can't be specifically predicted, and forecast for payment at the appropriate time. Monitor operations for unprogrammed changes in purchases/payments and issues/collections and their impact on cash.

2715 DEBT ANALYSIS AND AVOIDANCE

271501. Analyzing unfavorable trends in accounts receivable is of major importance in determining problem areas and corrective action. Effective analysis and coordination is key in maintaining a good debt collection program. When analyzing delinquent receivables, determine if delinquencies are encouraged by current procedures.

A. Open accounts receivable over 30 days old may indicate self-reimbursement procedures are not being used, customers do not agree with billing information, the customer's accounting activity is not performing properly, or action is required to restrict/terminate future activity.

B. A high rate of delinquent travel advances may be the result of an advance policy that is too liberal, and therefore allows travelers to draw advances in excess of their needs. Review computation of advances for compliance with DoD policy, and ensure that the routine deduction of advances from the pay of travelers who fail to settle their vouchers promptly is instituted at the installation.

C. A rise in delinquencies resulting from dishonored checks could indicate that collection procedures and penalties are too lax, the bad check list is not being utilized, or insufficient information is requested from check writers to trace the debt.

D. A significant increase in delinquent medical bills for a specific category of patients may indicate weaknesses in the procedures for assuring "ability to pay", or in identifying who is financially liable for services rendered. Develop alternative procedures such as direct billing to a third party, and/or obtaining an affidavit for payment upon admission, to resolve problems.

271502. Debt avoidance measures will yield the greatest benefit toward controlling delinquent debt. Perform an annual review of the installation accounts receivable program to identify areas where alternative payment methods or self-reimbursement procedures are workable.

271503. Review open accounts receivable transactions over 30 days old.

A. Ensure follow-up letters were sent for all transactions over 30 days old. Ensure continued follow-ups are made.

B. Review deferred accounts receivable procedures.

C. Review and comply with uncollectible accounts receivable write-off procedures. (See Chapter 17).

D. Verify that there are no accounts receivable over 30 days old from a DoD customer. If there are, determine why. Ensure that follow-up procedures are being used.

★2716 PROBLEM DISBURSEMENTS

271601. General. For various reasons negative balances may occur in the accounting records at the individual obligation document level, allotment level, program or fund authorization level, or appropriation account level. These adverse negative situations may be indications of errors such as lost or missing transactions, or posting or recording errors for obligations, disbursements, or collections (outlays). Negative balances in the accounting records are a serious adverse condition. When such balances of substantial size are included in financial statements, they materially affect those statements and preclude such financial statements from fairly and accurately presenting the financial condition and results of the program, agency, and department affected. This situation may also indicate a potential Antideficiency Act (31 U.S.C. 1517) violation which may require an investigation. See DoDFMR, Volume 3, Chapter 11 for definitions and additional information on problem disbursements. Reporting procedures for problem disbursements will be published in the DoDFMR, Volume 6, Chapter 8.

271602. Responsibilities.

A. Accounting activities and fund holders must jointly analyze, review, resolve, report, reconcile, and correct problem disbursements. No single entity is responsible for the entire process. Accounting transactions must be matched to hardcopy documents, write-offs must be performed as allowed, and supporting documentation must be retained relating to all problem disbursements.

B. Accounting activities will designate a project officer and alternate, in writing, who will manage this project at their level to assure compliance with these policies and procedures, to assure completion of necessary accounting and finance actions, and to act as the point of contact (POC).

C. Accounting activities will maintain detail and summary records of adjustments made to ensure an adequate audit trail, and to respond to inquiries.

★ D. Fund holders will obligate amounts to fund problem disbursements in accordance with Chapter 8 of this regulation and the DoDFMR, Volume 3, Chapter 11.

★ 271603. UMDs. A UMD is a disbursement transaction that has been received and accepted by an accounting office, but has not been matched to the correct detail obligation. This includes transactions that have been rejected back to the paying office or central disbursement clearing organization by an accounting office.

★ 271604. Intransits. Intransit disbursements are disbursements that have been reported by a disbursing office, through a paying center, to the Treasury Department and charged against the Department's fund balances, but have not yet been received or processed by the applicable accounting office for recordation against the applicable corresponding obligation. This includes interservice, intraservice and interfund disbursement transactions. This definition includes disbursements originating outside the DoD.

★ 271605. NULOs. A NULO is a disbursement transaction that has been matched to the cited detail obligation, but the total disbursement exceeds the amount of that obligation.

A. Condition 1. Disbursements in excess of recorded obligations at the appropriation level when the appropriation manager's available funds are less than the amount by which disbursements exceed recorded obligations.

1. Upon discovery of this condition (day one), DFAS Center for Sustaining Forces - Indianapolis will issue a message to immediately stop all payments for this appropriation. The message will be sent to the entire DoD disbursing network, including Army, Air Force, and Navy.

2. Upon receipt of the DFAS Center for Sustaining Forces - Indianapolis stop payment message, each disbursing officer will:

a. Immediately effect a hold, that is stop payment, on all such disbursements by administrative procedures and/or system hold when possible until the condition is satisfactorily resolved.

b. Immediately begin research efforts to determine the cause of the condition and correct any identified disbursing errors.

c. Review payments in process, including vouchers not yet disbursed, payments held for cash management purposes, and invoices on hand, and identify and hold all payments identified to the appropriation or fund authorization.

d. Continue to receive and accept invoices for payments against the appropriation and process to a holding file. Age the invoices in this holding file. However, the entitlement area will maintain all such payment vouchers for control purposes.

★ e. If notification of the condition came from someone other than DFAS Center for Sustaining Forces - Indianapolis, notify DFAS/AHCB/IS of the situation and provide any requested research and information.

★ f. Notify DFAS/AHCB/IS immediately if the necessary funding document is received, or when any other changes to the obligation status occur, including correction of disbursing errors.

g. When the cause of the condition has been corrected, and upon notification by DFAS Center for Sustaining Forces - Indianapolis, initiate action to resume the payment process. DFAS Center for Sustaining Forces - Indianapolis will then notify the appropriation manager of the action to resume payments.

B. Condition 2. Disbursements in excess of recorded obligations at the appropriation or fund holder level when the appropriation manager or fund holder has sufficient

unobligated balances available to cover the amount by which disbursements exceed recorded obligations. Disbursing officers, when notified of this condition, will immediately begin aggressive research efforts to determine the cause of the condition and correct any disbursing errors.

★ C. Condition 3. Disbursements in excess of obligations at the document level.

★ 1. Beginning with the date of disbursement, there is a research period for problem disbursements (see the DoDFMR, Volume 3, Chapter 11 for the specific research period). Use this period to research and resolve the transactions. The Databased Accounting Reconciliation System (dARS) is very helpful in resolving problem disbursements in the Standard Financial System (STANFINS). Compare all problem disbursements to the original documents (if available) to ensure the accounting data was input correctly. If an error was made during input, the accounting activity will process a correction through the accounting system.

★ 2. Establish a verified overpayment, erroneous payment, or duplicate payment as a refund receivable when a demand letter has been issued. Establish the refund receivable for delinquent travel advances in EOR 4610. Establish the refund receivable for payments made for other than travel advances to local or foreign governments, contractors, or individuals in EOR 4620. Do not report refunds receivable as problem disbursements.

★2717 DEPOSIT, SUSPENSE, AND GENERAL FUND ACCOUNT REVIEWS

★ 271701. At the end of the accounting month, the accounting activity will ensure that the balances in the subsidiary ledgers or records agree with the appropriate deposit, suspense, and general fund clearing accounts reported to DFAS Center for Sustaining Forces - Indianapolis. DFAS Center for Sustaining Forces - Indianapolis will send each disbursing station symbol number (DSSN) a copy of the Disbursing Officer's Fund Activity Report each month for use in reconciling the deposit fund and suspense accounts (see Chapter 29). This report shows transactions processed through the CSCFA-302 report. Prior to month end, accounting will reconcile balances with this report. If there are errors on the records of the accounting activity or DFAS Center for Sustaining Forces - Indianapolis, correct them before month-end through the CSCFA-302 report. Suspense account reporting requirements are in chapter 28.

★ 271702. Review variances shown in deposit fund accounts and notify DFAS Center for Sustaining Forces - Indianapolis of the projected correction date. Accountants will also provide DFAS Center for Sustaining Forces - Indianapolis with full explanations and planned actions for abnormal (debit) balances that appear in this report IAW reporting requirements in chapter 28

★ 271703. See the DoDFMR, Volume 3, chapter 11 for procedures to use when balances in the DO deposit accounts cannot be supported, or a transaction cannot be cleared within the required timeframe.

2718 INVENTORY REVIEWS

271801. For those inventories maintained by a financial inventory accounting system, there is an automated reconciliation between the general ledger account and the line item accounts in the stock record accounting system. Review at least monthly and adjust the accounting (quantitative or financial) records based on results of research. Inventories not having automated line item accountability will have at least an annual physical inventory. Evaluate adjustments to the financial records for reasonableness. Bring disparities or inconsistencies to the attention of the logistics manager.

271802. Inventory-in-transit represents inventory for which payment was made but no receipt was processed. Due to long lead times, there is an acceptable level of inventory-in-transit unique to each location. Awareness of the local factors and what constitutes a reasonable balance is necessary to effectively evaluate in-transit inventory. Each month, most accounting systems produce reports of inventory-in-transit within various aging categories. Send a copy of this report to the supply activity for action. This report includes paid local purchase and depot requisitions for which no receipt has been processed. This condition is commonly caused by lost shipment, delay in processing receipt transactions, or the conditions described in paragraph 271806 below. Local purchase transactions should not remain in-transit for more than 30 days. Resolve over-aged transactions with activities.

271803. The balance in inventory-temporarily-in-use represents loaned equipment and non-expendable supplies. Perform periodic reviews of this account to identify items overdue for return. Items returned with a condition code lower than when it was issued should have a report of discrepancy (ROD) on file. Determine whether the value billed the borrower based on the ROD is reasonable. Report under-billings, repetitive RODS from the same borrower, and other trends to the logistics manager.

271804. Following is the guidance for handling issues or transfers without reimbursement:

A. Ensure nonreimbursable issues or transfers are limited to:

1. Intra- and inter-departmental transfers of excess materiel valued at less than \$15,000 per line.
2. Transfers of excess materiel to other U.S. Government agencies as authorized by GSA disposition instructions; that is, donations for health, education, and welfare purposes.

B. Make transfers to other DWCF-SMA branches on a reimbursable basis, except for excess mobilization reserve or contingency plan stock.

271805. Materiel returns require determining the ratio between credit granted to customers versus credit received. Perform a random test of recorded transactions allowing

customers credit for materiel returns. This test will include tracking the item through supply activity files to depot returns or final destination. This requires close coordination with supply activity personnel for accounting inquiries into logistics files. (For example, the customer received 85 percent credit on returns to the DWCF-SMA, but the DWCF-SMA was allowed only 40 percent credit from its source of procurement.) Since the DWCF-SMA home office gives the percentage of credit to customers, notify the home office for adjustment if the credit is greater than the allowed percentage.

271806. Compare purchases to issues for the review period. Any significant differences between the two should relate to an increase or a decrease in the general ledger inventory on-hand balance. When the change in inventory balance does not relate to the difference between purchases and issues, the inventory balance could be affected by customer turn-ins, creditable returns to the depots, disposal of items on hand without credit or accounting adjustments. Sample these transactions to make sure they follow prescribed guidance and procedures in coordination with installation supply activity personnel. Report out of proportion conditions which remain open for more than a single accounting period to the DWCF-SMA manager.

271807. Comparison of purchases at standard price and at cost will determine if a significant price variance exists. If so, coordination between accounting and supply personnel is necessary to determine the proper action.

271808. In cases of returns with no credit granted, analyze returned materiel transactions when credit has been denied by the supplier. Inform the DWCF-SMA manager who can take actions to preclude future loss of credit granted. On occasion, the supplier denial is not valid. Analyze materiel classification and shipping/transportation procedures to determine if items were properly classified and shipped within the prescribed time frame. If so, request credit again, and provide copies of shipping documents to substantiate the request. Problems in receiving credit for returns have a direct impact on the cash balance of the DWCF-SMA. These problems must be resolved in a timely manner. Credit may be denied because of any of these reasons:

- A. No authorization to return the item.
- B. The condition received was less than reported by the returning entity
(Note: this could result in reduced or no credit).
- C. Not receiving the item within the prescribed time frame.
- D. Not receiving all or part of the materiel by the supplier.
- E. No record of ROD submitted.

271809. For transfers to the DRMS, monitor and coordinate with supply activity personnel. Review transactions to determine whether items were reported to the inventory

control point, if disposition instructions were received from the inventory control point, and if the materiel was properly classified when turned in by the customer.

271810. For unbilled receipts, obtain a detailed listing of accounts payable representing unbilled receipts in the subsidiary ledger with no action for over 120 days, over 180 days, or over 240 days (MACOMs may prescribe shorter aging periods). (See Chapter 20).

271811. Use performance indicators to identify current trends while providing forecast information usable in the budget development stage. The following performance indicators may be useful:

- A. Obligation rates.
- B. Obligations to demands.
- C. Obligations to sales.
- D. Percent of inventory growth.
- E. Percent of returns to sales.
- F. Ratio of accounts receivable to sales.
- G. Ratio of accounts receivable to cash.
- H. Ratio of inventory in-transit to total inventory.

271812. Reconcile stock record quantity balances with financial inventory records at least once a year. Promptly enter the results of all physical inventories taken by logistics activities into the accounting records.

2719 REVIEWS OF FEDERAL SECURITIES (AT PAR)

DFAS Center for Sustaining Forces - Indianapolis will reconcile the balance in the Federal Securities (at Par) general ledger account with the trust fund portfolios at least annually. Reconcile this general ledger account when there is a change in employees having access to the securities, such as the trust fund manager. Also, reconcile the account when there is a substantial addition, disposition, or replacement in the composition of the portfolio.

2720 VOUCHER BALANCING

272001. Accounting and military pay will take the following steps during the joint monthly voucher balancing reconciliation.

A. Upon receipt of the month-end voucher balancing report (MP-19-173), accounting will reconcile the differences in Section II. This comparison provides an accounting for payments and collections reported under two independent systems. Accounting will prepare a worksheet for this reconciliation with the following headings for each clearing account (510 = officers and 529 = enlisted): the "DSSN NUMBER", "CLEARING ACCOUNT NUMBER" (510 or 529), and the "ACCOUNTING MONTH" being reconciled. The next row of columns on the worksheet will consist of the "VOUCHER NUMBER", "VOUCHER DETAIL AMOUNT", "VOUCHER TOTAL", "Merged Accountability Fund Report (MAFR) TOTAL", and "REMARKS."

B. Next on the worksheet, enter the total voucher amount from Section II under "VOUCHER TOTAL"; then enter the total for the MAFR amount of Section II under "MAFR TOTAL."

C. Determine which system has been updated incorrectly or which transactions have not processed. Accounting will provide a copy of this month-end report (MP-19-173) to the voucher balancing clerk in military pay. If the voucher balancing clerk in military pay made all corrections caused by military pay errors, any difference may be due to an input error or an adjustment/correction made during month-end processing by accounting. Accounting will obtain the vouchers that have created the differences and analyze what has happened. If a voucher was incorrectly processed by accounting, show the correction under the "MAFR TOTAL" column on the worksheet. If a voucher was incorrectly processed by the voucher balancing clerk, show the correction under the "VOUCHER TOTAL" column on the worksheet.

D. Once the "TOTAL VOUCHER" and "MAFR TOTAL" columns are in balance, prepare an SF 1081 for corrections that have not already been made as indicated in the "REMARKS" column on the worksheet.

E. If the reconciliation cannot be resolved between the voucher balancing clerk and accounting, immediately notify the senior official at the accounting activity. This reconciliation is a basic tool provided to assist in fulfilling the account holder's responsibility for proper and timely posting of payment and collection transactions. It will aid in the discovery of fraud and loss of government funds.

272002. A requirement exists to provide an additional detail level of reporting for casual/local payments by voucher number and transaction date. This provides more detail at the voucher level when reconciling the Statement of Transactions Report (RCS CSCFA-302) data to the voucher balancing/MAFR reconciliation report, MP-19-173.

A. This detail level of reporting casual payments for a given month is in addition to the current level of CSCFA-302 reporting. This additional detail level of reporting is identified by a "7" in the record type (RT) field (record position 80), and requires reporting the voucher number and date of the transaction on the monthly CSCFA-302 submission.

B. Those accounting activities unable to submit by file transfer will submit a manual supplement to the CSCFA-302 report by fax or E-mail. Contact your reporting POC for the current fax and E-mail numbers.

C. The select criteria for this new data are disbursements citing basic symbol 2010, army management structure (AMS) code of 1Z10 or 2Z20, and EOR 4140. The additional detail level of reporting for the RT 7 transactions will include the date of the transaction and the voucher number. See Table 27-1 for the record layout.

D. The total of the detail voucher transactions (RT 7) must equal the total dollar amount for the appropriate transactions submitted on the CSCFA-302 report, (i.e., basic symbol = 2010, AMS = 1Z10/2Z20, and EOR = 4140). Accounting activities using STANFINS will use the PCN AVK-655 report/listing to reconcile the RT 7 transactions to the RT 4 and/or RT D transactions each month before releasing the CSCFA-302 report to DFAS Center for Sustaining Forces - Indianapolis. Any adjustment made to the CSCFA-302 submission after the creation of the "sees tape" affecting basic symbol 2010, AMS 1Z10 or 2Z20, and EOR 4140 for RT 4/D transactions, may also require adjustments to RT 7 transactions, unless making a one-sided correction of a prior-month's submission. Likewise, any adjustment to the RT 7 transactions may require adjustments to the CSCFA-302 submission.

E. The RT 7 transactions, with unique control records, are added to the current CSCFA-302 transactions when creating the monthly "sees tape." These RT 7 transactions are of a "memo" type nature, and are not part of the balancing routine of net disbursements less reimbursements of the SOT to the SOA.

F. DFAS Center for Sustaining Forces - Indianapolis will compare the CSCFA-302 detail RT 7 transactions to the appropriate RT 4/D transactions submitted by dollar amount each month. A discrepancy report/listing will be issued to each disbursing activity where a difference exists between the detail RT 7 transactions and the RT 4/D transactions. Differences will be corrected in the subsequent CSCFA-302 submission. DFAS Center for Sustaining Forces - Indianapolis will pass this data forward for input to the MP-19-173 report. The RT 7 transactions are compared to casual/local payments on the MP-19-173 report. The MP-19-173 is mailed twice a month to each disbursing activity. Differences on the MP-19-173 report may be attributed to reporting differences between the RT 4/D transactions and the RT 7 transactions. Accounting will use the end-of-month MP-19-173 report to reconcile differences in section II of the report, and provide a copy to the military pay voucher balancing clerk.

2721 DOCUMENTATION AND SUBSIDIARY FILE REVIEWS

272101. All accounting activity personnel are required to properly document any general and subsidiary ledger journal voucher entries prepared. In accordance with generally accepted accounting principles, proper documentation must consist of a journal voucher completed in the following manner:

A. Create double entry journal vouchers comprised of balanced debits and credits associated with the accounts to which you are posting.

B. Identify all accounts by account number.

C. Provide a written explanation for the journal voucher including references to backup information and any related journal vouchers.

D. Identify each journal voucher by day, month, year, and number.

E. Obtain authorizing signatures or equivalents.

272102. Maintain a continuing review of subsidiary files.

A. At least monthly, and before each joint review, perform a review of the subsidiary files to identify and resolve abnormal transaction balances. Examples are as follows:

1. Negative (credit balance) commitments, obligations, accruals, or disbursements.

2. Obligations in excess of commitments.

3. Accruals in excess of obligations.

4. Advances in excess of total unliquidated obligations.

5. Disbursements (other than advances) in excess of accruals.

6. Negative orders received, reimbursements earned, or reimbursements collected.

7. Reimbursements earned in excess of orders received.

8. Unearned revenue in excess of unfilled orders.

9. Reimbursements collected (other than unearned revenue) in excess of reimbursements earned.

B. Develop systems and procedures to identify the conditions mentioned above as they occur to facilitate the review process and permit immediate resolution. Systems should also provide data for managers concerning abnormal conditions that remain unresolved for more than ten workdays.

C. Maintain records portraying the frequency and cause of these abnormal conditions. Advise senior accounting officials of significant or recurring problems due to the direct impact of these conditions on effective fund control.

272103. Perform monthly reconciliation of all subsidiary ledger files with the official accounting records. Research differences and correct immediately. The most common cause of differences is adjustments made in the subsidiary ledgers, but not posted to the official accounting records. Contact the serviced activity for assistance when necessary.

2722 THE ARMY/DFAS VALIDATION PROGRAM

272201. The senior official at the disbursing/certifying office making the payment:

A. Conducts administrative reviews or field investigations of financial transactions potentially subject to fraud, forgery, or misuse of funds per AR 15-6, Procedure for Investigating Officers and Boards of Officers.

B. Transfers all non-classified cases which involve suspected fraud, forgery, or misuse of funds to the servicing investigative agency (Defense Criminal Investigative Service (DCIS) for DFAS; United States Army Criminal Investigative Command (USACIDC) for Army). Sends classified cases through the appropriate legal channels to the Commander, U.S. Army Finance Command, ATTN: SFFM-FC/SR, 8899 East 56th Street, Indianapolis, IN 46249-3000. Notifies the Unit Commander/Activity Director.

C. Prepares a DFAS Activity Situation Report (SITREP) in accordance with DFAS 3020.26-R, Corporate Contingency Plan, Appendix A. Electronically forwards SITREP to the DFAS Indianapolis Centers. Center and FIELD SITE SITREPs are forwarded to the DFAS Support Activity - Indianapolis, ATTN: DFAS-IN/ECHC; Defense Military Pay Office (DMPO) SITREPs are forwarded to the Field Operations Office (DFAS-IN/TJM). These offices will make distribution of the SITREP. The Directors, DFAS Indianapolis Centers will be notified of all cases involving potential fraud prior to distribution of the SITREP. Distribution will include the DCIS, DFAS Support Activity - Indianapolis Office of General Counsel, and the DFAS Support Activity - Indianapolis Resource Management Directorate (RMD), ATTN: DFAS-IN/ECHB). DCIS will forward SITREPs on Army cases to the Indianapolis USACIDC.

272202. The servicing USACIDC Office will comply with the following guidelines in accordance with Criminal Investigation Command Regulation (CIDR) 195-1, U.S. Army Criminal Investigation Division (CID) Operational Procedures, or applicable Army regulations:

A. In accordance with (IAW) CIDR 195-1, Section VI, 7-24, submits DFAS-related Requests for Assistance (RFA) to the Indianapolis USACIDC. The RFA will include all applicable identifying information as identified in referenced Section VI (name, social security number, date of requested record, voucher number, Army Disbursing Station Number or Disbursing Station Symbol Number, Cycle Number, and Transaction Numbers).

B. IAW CIDR 195-1, Chapter 4, receives documents from the DFAS Indianapolis Centers and investigates cases.

C. IAW CIDR 195-1, Chapters 4, 6, and 7, completes Initial Report of Investigation (ROI).

D. IAW CIDR 195-1, Chapters 6 and 7, prepares final ROI after presentation of case to prosecution or for action.

E. IAW CIDR 195-1, Chapter 8, Sections 8-20, forwards all DFAS-related final ROIs, to the Indianapolis USACIDC.

272203. The Indianapolis USACIDC will comply with the following guidelines in accordance with CIDR 195-1 or applicable Army regulations:

A. IAW CIDR 195-1, Chapter 7, establishes a case file upon receipt of a DFAS SITREP, identified as fraud.

B. IAW CIDR 195-1, Chapter 7, upon receipt of an RFA from the servicing investigative agency, forwards an RFA to the DFAS Support Activity - Indianapolis RMD, ATTN: Validation Program (DFAS-IN/ECHB). **This office is the only authorized agency to release original documentation (primarily for handwriting analysis) and certified copies required for all criminal investigations.**

C. IAW CIDR 195-1, Chapter 7, upon receipt of required supporting documents, prepares an information report for the servicing investigative agency. Forwards information report and required documentation for the investigation to the servicing investigative agency.

D. IAW with this regulation, AR 195-2, and the DoDFMR (Volumes 7 and 8), provides DFAS-related final ROIs to the DFAS Support Activity - Indianapolis, ATTN: Validation Program (DFAS-IN/ECHB) and the Unit Commander/Activity Director.

E. Files copy of DA Form 4833, Commander's Report of Disciplinary or Administrative Action, and a copy of the collection action in the case folder.

272204. The Unit Commander/Activity Director:

A. Takes appropriate disciplinary action.

B. Upon receipt of the final ROI, prepares DA Form 4833, to advise of disciplinary and collection actions. Forwards the DA Form 4833 to the collection activity (appropriate DFAS Center, FIELD SITE, or DMPO).

C. Forwards copy of the DA Form 4833 (identifying the collection activity, if applicable) to the originating USACIDC Office or DCIS Office and to the DFAS Support Activity - Indianapolis, ATTN: Validation Program (DFAS-IN/ECHB), 8899 East 56th Street, Indianapolis, IN 46249-0226.

D. If no disciplinary action or collection action is taken, notifies the DFAS Support Activity - Indianapolis, ATTN: Validation Program (DFAS-IN/ECHB), and Indianapolis USACIDC to close the case.

272205. The collection activity:

A. Upon receipt of the DA Form 4833, initiates collection action or prepares the DD Form 139 to ensure collection action is initiated.

B. IAW this regulation, AR 195-2 (paragraph 1-5E), and the DoDFMR (Volumes 7 and 8) forwards notice of collection action to the DFAS Support Activity - Indianapolis, ATTN: Validation Program (DFAS-IN/ECHB) and the originating USACIDC Office.

272206. The DFAS Support Activity - Indianapolis RMD (DFAS-IN/ECHB):

A. Manages the Army/DFAS Validation Program. Provides liaison activity between the DFAS Centers and investigative agencies on cases pertaining to suspected fraud, forgery, or misuse of appropriated funds by soldiers, government civilians, retirees, or contractors.

B. Establishes a case file upon receipt of the SITREP.

C. Receives inquiries from investigative agencies. Coordinates sensitive case information and documentation requests with investigative agencies.

D. Requests certified copies of necessary documents and provides to investigative agencies. Requests original records, if needed. Sends original records to crime laboratories for analysis. After crime laboratories complete their analysis, returns original documents to records custodian.

E. Researches available data, analyzes pertinent documents, and ensures all necessary information is provided to support the investigative agency.

F. Monitors initiation of collection action for the debt or notifies the Unit Commander/Activity Director if no collection action has been initiated within 90 days of the receipt of the DA Form 4833.

G. Files completed ROIs, DA Forms 4833, and DD Forms 139 in the case folder. Maintains case file for five years from the opening date of the investigative file or until confirmation of initiation of collection action has been received.

H. Prepares monthly reports identifying types of cases, dollar amounts involved, and status of open cases.

I. Prepares monthly report to the DFAS Support Activity - Indianapolis' Office of General Counsel identifying the following cases: ROI indicates no collection action is to be taken; Unit Commander/Activity Director has determined no collection action is to be taken; and no collection action initiated within 180 days from receipt of the DA Form 4833.

2723 MONTH-END AND YEAR-END PROCEDURES

272301. Table 27-3 is a checklist which will assist accounting activities in the preparation and processing of accounting reports. The checklist is not intended to replace guidance contained in other parts of this regulation. Each month after the accounting reports are submitted to DFAS Center for Sustaining Forces - Indianapolis, edit table errors and TAB errors are made available via Electra for accounting activities to correct on-line. Accounting activities have access to the Electra files for 4 days to complete the correction process. DFAS Center for Sustaining Forces - Indianapolis will provide additional instructions annually for fiscal year-end reporting.

272302. The accounting activity and the serviced activity are jointly responsible for reviewing accounting reports.

A. The accounting activity will:

1. Provide account status as required in Chapter 28 of this regulation and the DoDFMR in an accessible data base.

2. Analyze and provide detail and summary interpretations of operations on a periodic or as required basis.

3. Identify abnormal balances and adverse conditions, request resolution, determine instances of recurring conditions, and work with the serviced activity to resolve/avoid.

B. The serviced activity will analyze information essential to managing operations.

272303. Each accounting activity will complete the checklist located at Table 27-4 each month after completing the electra corrections and not later than the 9th workday. Answer each question with a "yes", "no", or "N/A". Explain all "no" and "N/A" responses. Upon

completion, sign the checklist at no lower level than Director for Accounting. Retain the checklist with the monthly reports for audit purposes.

272304. The accounting activity and the serviced activities will jointly develop a year-end close-out schedule that communicates critical events and expectations to all involved. This will include cutoff dates, special year-end events, and availability of accounting fund status output.

A. The serviced activity will:

1. Distribute the schedule to all staff elements.
2. Coordinate with local activities.
3. Serve as liaison with the accounting activity.

B. The accounting activity will:

1. Coordinate year-end close out instructions with the serviced activity at least 90 days prior to the end of the fiscal year.
2. Use electronic file transfer procedures for receiving financial data from the serviced activities and forwarding to DFAS Center for Sustaining Forces - Indianapolis.
3. Send a representative to assist the serviced activity and coordinate final year-end processing upon request.
4. Schedule all appropriate system interfaces.

C. Both the accounting activity and the serviced activity will:

1. Ensure the data is reliable and permits certification in accordance with the law.
2. Ensure the effective use of the funding authority provided.

272305. Procedures for reimbursable orders are:

A. Write-Down Procedures. When both the provider and customer utilize multi-year appropriations, and neither appropriation is expiring, do not write down the reimbursable order. Retain the unearned and unobligated balances of valid unfilled reimbursable orders with the unexpired appropriation current at the time the customer order was excepted. Unobligated balances from customer orders in the current fiscal year that have been established in the current fiscal year, or transferred from prior year unobligated balances, will be retained as part of the current year appropriation reimbursable authority until:

1. The reimbursable work is complete,
2. The funds cited on the customer order expire of obligation, or
3. The accepting appropriation expires for obligation.

B. If the appropriation (single or multi-year) is expiring at the end of the year, then the reimbursable order must be written down.

C. For non-federal providers (source code 900) who have paid in advance, write-down the reimbursable order when the performer's funds are expiring, and do not write-down the reimbursable order when the performer's funds are not expiring.

D. Army Procurement Appropriations (APA) Customer Programs.

1. Year-end reimbursable order write-down procedures for APA are outlined in Table 27-2.

2. Prior to canceling reimbursable orders, the following conditions will be met at pre-closing:

- a. Unfilled orders equal unliquidated obligations.
- b. Orders equal obligations.
- c. Earnings equal disbursements.

3. Reimbursements earned are the costs incurred in the completion of customer orders by the performing activity. Use these costs as a basis for billing customers. Disbursements on the performing activity's books correlate to costs incurred.

4. Upward obligations are permitted in prior years to the extent of obligation authority. APA obligation authority is defined as the total of direct funds and FRA. Beginning each fiscal year an obligation authority ceiling is established for each appropriation. For retention of inventory – sales from procurement (RP) and customer peculiar (CP) orders, the customer order is amended and additional funds are requested for the amount of the upward adjustment.

272306. The accounting period established by DoD to agree with Government Accounting Office (GAO) standards is the calendar month. Public law has established the fiscal year to cover the time period from October 1st through September 30th. Generally accepted accounting principles require the processing of all known accounting transactions in the accounting period to which they pertain.

272307. For expired and canceled single-year and multi-year appropriations, the accounting activity is no longer responsible for fund control. At installations using decentralized fund control, the allowance or allotment holder has overall responsibility for installation or agency funds.

A. Establish an account by operating agency (OA) for each single-year and multi-year appropriation which expired or canceled at the end of the fiscal year. The purpose of the account is to provide for a single account control over the utilization of prior-year funds for obligation adjustment transactions, and to keep track of the canceled transactions requiring current-year funds. These accounts will reflect a consolidation of the unobligated balances transferred from the activity's records (identified by allotment serial number (ASN)) for funds received from the same funding source for the same appropriation.

B. Use available funds in these appropriations for adjusting obligations. Do not use these available funds to incur new obligations. Account and report for obligations and expenditures by the year of funds obligated. Report monthly, until canceled, the activity relative to these prior-year funds in accordance with Chapter 28.

C. As part of year-end procedures, installations will inventory unliquidated obligation documents. Also, reconcile the total unliquidated obligation documents with the related allotment account balances as of September 30th.

272308. Cancel all outstanding balances for canceling appropriations at the end of the fiscal year. Perform an inventory of related document files to insure that documents are available to support the amounts transferred.

A. Immediately subsequent to the submission of the year-end reports, close out the unobligated balances in the accounts which will cancel by processing a journal voucher reducing the "allotments received" in the applicable allotment ledger by the amount of the unobligated balances.

B. Unfilled orders supported by valid reimbursable obligations in canceling accounts will not be written-down during the year-end reimbursable order adjustment process. When products or services are provided to customers after the performer's account closes, follow the guidance in Chapter 12 for earnings related to canceled accounts.

C. Cancel unobligated and obligated (direct and reimbursable) balances in canceling accounts during post-closing of the standard general ledger. Prior to closing, all abnormal balances must be resolved. This includes NULOs, over-disbursements, and over-payments.

272309. Continue to account for prior-year unliquidated obligations during the new fiscal year, except for those that were canceled.

272310. Allowances and allotments received by installations to implement the budget program of a new fiscal year are subject to the availability of funds. They are dated no earlier than October 1 of that fiscal year, and are received during the last month of the closing fiscal year. Record these allowances and allotments in the accounts established for the new fiscal year, and include them in the accounting reports for the new fiscal year.

272311. To record civilian annual leave, at the end of each calendar year make an adjustment for appreciation, transfers in and out, and applicable increases in civilian annual leave. When preparing the journal voucher, extend the number of hours of leave carried over at the current pay rate of each employee to reach the total. Distribute these expenses based on performance factors. See DFAS-IN Manual 37-100-FY for detail AMS reporting requirements and guidance in the use of Repair, Performance, and Maintenance Activity (RPMA) accounts.

272312. After posting all documents processed and received during the month, but before closing the allotment and/or control ledger accounts at the end of the month, reconcile and balance the subsidiary accounts to the allotment accounts. To preclude delays in monthly report preparation, it may be advantageous to perform this reconciliation periodically during the month. When time does not permit the monthly reconciliation of subsidiary ledgers/accounts, perform a quarterly analysis and document it for audit and reporting purposes. If the distribution of funds at the installation/activity level is not done via a mechanized accounting system, verify the distribution at the end of each month. Do this after processing all fund transactions for the month.

272313. This paragraph provides year-end program year (PY) budget execution accounting and reporting guidance for the Army limits of the following Treasury Index 97 appropriations: 0804, North Atlantic Treaty Organization Security Investment Program; 5188, Disposal of DoD Real Property; 5189, Lease of DoD Assets; 8097, Retired Pay, Defense; and 4090, Homeowners Assistance, Defense. At the end of the seventh year after the initial fiscal year (FY) in which funds were issued, the balances in the seventh PY will be rolled into the balances in the sixth PY. This rule establishes a constant total of seven PYs during the remaining years of the appropriation. This rule applies to all PY balances reported on the RCS CSCFA-218 and RCS CSCFA-112 reports and only to the Army limits of the aforementioned appropriations.

2724 ANNUAL CERTIFIED REPORTS

272401. The accounting activity is responsible for providing the reports and certifications in accordance with the DFAS Center for Sustaining Forces - Indianapolis year-end letter. All status of resources and reimbursement reports require certification at the end of each fiscal year. Certifications will be made after Electra corrections are completed.

A. The commander or a designated representative (including the civilian equivalent) who receives an allowance of funds certifies year-end reports. The commander can delegate in writing to a position or named individual (Deputy Commander or civilian equivalent, Chief of Staff, or Director of Resource Management/Comptroller).

B. 31 U.S.C. 1554 requires identifying unobligated balances, unliquidated obligations, balances canceled, payments made (including those for obligated balances canceled), and obligation adjustments made (including those for obligated balances canceled) to appropriation accounts during the fiscal year just completed. This applies to all accounts. The actual canceling of unobligated and obligated (direct and reimbursable) balances occurs during post-closing. Accordingly, certified year-end reports must identify the unobligated and unliquidated balances for each canceling account.

★ C. The Treasury requires footnoting the certified reports for known payments for obligated balances canceled which will be paid during the ensuing fiscal year.

272402. The accounting activity and the serviced activities are jointly responsible for year-end reviews.

A. The accounting activity will:

1. Include all known transactions in the certified reports.
2. Validate the reports with the checklist in Table 27-3.
3. Prepare the reports in accordance with the DFAS Center for Sustaining Forces - Indianapolis year-end letter.
4. Communicate to the fund holder any areas of concern or abnormality.
5. Verify the following information:
 - a. Undelivered orders and contracts, plus accounts payable and other accrued liabilities, minus outstanding advances and prepayments, equal the certified ULOs for each account.
 - b. Current-year certified ULOs equal the certified prior-year ULOs, plus current-year net obligations, minus current-year disbursements. Make the reconciliation at the level at which the reports are submitted.
 - c. End-of-period unfilled orders equal the certified prior-year unfilled orders, plus current-year orders received, minus current-year reimbursements earned.
 - d. End-of-period reimbursements receivable equal the certified prior-year reimbursements receivable, plus current-year reimbursements earned, minus current-year reimbursements collected. Make the reconciliation at the level at which the reports are submitted.

e. DFAS Center for Sustaining Forces - Indianapolis will return all reports not meeting the above criteria for correction and recertification.

B. The serviced activity will:

1. Properly transmit all known transactions to the accounting activity for inclusion in the accounting reports.

2. Reconcile all obligations in the accounting reports provided by the accounting activity to the commitment records.

3. Analyze all abnormal accounting balances and attempt to resolve before final closing by furnishing corrections to the accounting activity.

4. Assist in developing explanations for footnoting abnormal balances not resolved prior to closing.

5. Coordinate correction of significant issues with the accounting activity.

C. The activity maintaining the files will update the accounting master files for the next fiscal year.

272403. DFAS Center for Sustaining Forces - Indianapolis will publish certification requirements annually in the year-end letter. DFAS Center for Sustaining Forces - Indianapolis will determine the need for recertification based upon the materiality of adjustments. Make recertifications no lower in the command structure than the original certifying official. Recertify reports using the same statement as the original certification.

RECORD LAYOUT FOR RT 7 TRANSACTIONS	
Record Position	Field
1-2	Department
3	Blank
4	Fiscal Year
5-8	Basic Symbol
9-12	Limitation/Sub-head
13	Program Year
14-15	Operating Agency
16	Reimbursement Designator
17	Blank
18-20	Reimbursement Source Code
21-26	AMS
27-31	Date of Transaction
32-37	Fiscal Station Number
38-39	Blank
40-52	Amount
53-56	Allotment Serial Number
57-58	Not Used
59-61	DO Date
62-67	Voucher Number
68-69	Blank
70-73	DSSN
74-76	Transaction Report Code
77-79	Blank
80	Record Type (7)

Table 27-1

YEAR-END ADJUSTMENTS OF REIMBURSABLE ORDERS			
Performers Funds		Economy Act Orders	Project Orders
1	No-year	If customer funds are expiring, return unobligated funds to the customer. If order is still required by the customer and funds are available, the customer must re-issue the remainder of the order, citing the new FY's appropriation, to the performing activity. Otherwise, no action is required.	No action required.
2	Multi-year which is not expiring	Performing activities will retain unearned and unobligated balances for valid unfilled reimbursable orders with the unexpired appropriation current at the time the customer order was accepted. If customer funds are expiring, the performing activity will return unobligated funds to the ordering customer. If the order is still required and funds are available, then the ordering customer must re-issue the remainder of the order to the performing activity citing the new FY's appropriation.	For those orders received and accepted near the end of the FY, the following rules apply: (a) If work has started or is expected to start by January 1 of the following calendar year the performer will retain unearned and unobligated balances of valid unfilled reimbursable orders with the unexpired appropriation current at the time the customer order was accepted (b) If work is not anticipated to start within 90 days from fiscal year-end, an extension must be obtained from the ordering activity. If extension is not granted, the performing activity will return the unobligated funds to the ordering activity. For all other project orders received during the fiscal year, the performing activity will retain unearned and unobligated balances of valid unfilled reimbursable orders with the unexpired appropriation current at the time the customer order was accepted.

Table 27-2

YEAR-END ADJUSTMENT OF REIMBURSABLE ORDERS			
Performers Funds		Economy Act Orders	Project Orders
3	Multi-year which is expiring	Orders which have been earned but for which no obligation has been incurred (for example, sales for replacement of inventory owned by APA) will be written off and subsequent collections will be moved to the miscellaneous receipt account. Otherwise, the performing activity will write down the order to the greater of obligations or earnings. Valid amounts written down will be reestablished in the new FY citing the new FY's appropriation. If customer funds are expiring, the performing activity will return unobligated funds to the ordering customer. If the order is still required, the ordering activity must re-issue the remainder of the order citing the new FY's appropriation to the performing activity.	Prior year project orders which have been earned but for which no obligation has been incurred will be written off, and the related receivable and subsequent collections will be moved to the miscellaneous receipt account. Otherwise, the performing activity will write down the order to the greater of obligations or earnings. Valid amounts written down will be re-established in the new FY citing the new FY appropriation.
4	Annual	The performing activity will reduce orders received to the greater of obligations or earnings. If the customer's funds are not expiring, the performer will reestablish the order in the new FY citing the new FY's appropriation. Future billings will cite the fund citation on the original customer order. If customer's funds are expiring, the performing activity will return unobligated funds to the ordering customer. If the order is still required by the ordering activity and funds are available, the customer must re-issue the remainder of the order to the performing activity, citing the new FY's appropriation.	(a) If work has started or is expected to start within 90 days, the performer will reduce orders to the greater of obligations or earnings and re-establish the order in the new FY with the new FY's appropriation. The ordering activity's order will remain fully obligated citing the original ordering appropriation. Future billings will cite the ordering activity's funds from the customer reimbursable order. (b) If work is not anticipated to start within 90 days from year end, an extension must be obtained from the ordering activity. If an extension is not granted, the performing activity will return unobligated funds to the ordering activity.
1	Exceptions to the above policy are:		
	A Reimbursable orders financed by the performer with procurement funds that are earned but not obligated remain in the appropriation in which the earning was made until that appropriation expires. Write off the unexpired order and earning upon expiration and transfer the related receivable/collection to the General Ledger Account (GLAC) 3610, Uncollected Revenue, Miscellaneous Receipts.		
	B The balance designated for replacement-in-kind is available for obligation up to account expiration.		
2	No reimbursable unobligated authority will remain in any appropriation account at expiration.		
3	For expiring years, move all earned and collected or earned and not collected for which obligations have not been incurred to GLAC 3610, Uncollected Revenue, Miscellaneous Receipts.		

Table 27-2 (Continued)

PERFORMER'S ACTIONS FOR DIFFERENT PERFORMER-CUSTOMER ACCOUNT RELATIONSHIPS				
Performer-Customer Account Relationships: a = Performer's account not canceling; customer's account canceling/canceled. b = Performer's account canceling; customer's account not canceling. c = Performer's and customer's accounts canceling at same time. d = Performer's account canceling, but has unearned revenue.				
	a	b	c	d
At year-end, performers will:				
Adjust reimbursable orders in accordance with this regulation.	X	X	X	X
Reflect by fund source valid reimbursable funding, obligations, disbursements, unliquidated obligations, orders received, unfilled orders, earnings, collections, unearned revenue, and accounts receivable for all non-canceled accounts (which includes accounts canceling) in year-end certified reports.	X	X	X	X
During post-closing, performers will:				
Cancel unpaid reimbursable obligations for accounts canceling.		X	X	X
Transfer outstanding accounts receivable in canceling accounts to GLAC 3610, Uncollected Revenue, Miscellaneous Receipts.		X	X	
In ensuing fiscal year(s), performers will:				
Request an unexpired account fund cite from customers when earnings and billings occur the during the fiscal year. Credit collections received to the performing account.	X			
Establish accounts receivable in GLAC 3610, Uncollected Revenue, Miscellaneous Receipts when goods or services are provided for valid unfilled orders in canceled accounts for which no advance collections were received when the performer's account canceled.		X	X	
Cite the customer's financing account on billings resulting from goods or services provided for valid unfilled orders in canceled accounts for which no advance collections were received when the performer's account canceled.		X		
Request an unexpired account fund cite from customers for billings resulting from goods or services provided for valid unfilled orders in canceled accounts for which no advance collections were received when the performer's account canceled.			X	
Deposit to miscellaneous receipts (21R3200): (a) any collections received during the fiscal year for accounts receivable transferred to GLAC 3610, Uncollected Revenue, Miscellaneous Receipts from a canceled account; and (b) any collections received during the fiscal year for accounts receivable established in GLAC 3610, Uncollected Revenue, Miscellaneous Receipts based on goods or services provided for valid unfilled orders in canceled accounts for which no advance collections were received when the performer's account canceled.		X	X	
Use unexpired direct funds available for the same general purpose subject to the 1 percent and unexpended limitations to pay for valid reimbursable obligated balances canceled after the performer's account canceled.		X	X	X

Table 27-2 (Continued)

CUSTOMER'S ACTIONS FOR DIFFERENT PERFORMER – CUSTOMER ACCOUNT RELATIONSHIPS				
Performer-Customer Account Relationships: a = Performer's account not canceling; customer's account canceling/canceled. b = Performer's account canceling; customer's account not canceling. c = Performer's and customer's accounts canceling at same time. d = Performer's account canceling, but has unearned revenue.				
	a	b	c	d
At year-end, customers will:				
Follow reimbursable order adjustment procedures in Chapter 12.	X	X	X	
Reflect valid direct funding, obligations, disbursements, unobligated balances, and unliquidated obligations for all non-canceled accounts (which includes accounts canceling) in year-end certified reports.	X	X	X	
During post-closing, customers will:				
Cancel unpaid direct obligations for accounts canceling.	X		X	
In ensuing fiscal year(s), customers will:				
Request and certify unexpired funds available for the same general purpose subject to the 1 percent and unexpended limitations upon receipt of performer's request for an unexpired account fund cite to use for pending bills. Provide performing activity unexpired account fund cite.	X		X	
Obligate funds received subject to the 1 percent unexpended limitations and pay upon billings received or clear upon receipt of "by others" transmittals	X		X	
(NOTE: The table below shows the differences for expired/expiring appropriations versus unexpired appropriations)				
ORDER TYPE	FISCAL YEARS	YEAR-END PROCEDURES		
Retention of Inventory – Sale from Procurement (RP) & Customer Peculiar (CP)	Expired and Expiring	The order and net obligation must be equal.		
Retention of Inventory (RS) – Sale from Stock)	Unexpired	No action required.		
RS (See above)	Expired and Expiring	The order must equal the net obligation.		
RM (Replacement & Modernization of U.S. Army Inventory)	Expired and Expiring	Non-FMS orders and earnings will be written down to the value of conversion. Collections greater than conversions must be deposited to the proper miscellaneous receipt account.		
RM (See above)	Unexpired	Non-FMS orders must equal earnings		
RM (See above)	Unexpired	FMS source code orders must equal earnings.		

Table 27-2 (Continued)

ACCOUNTING REPORT CHECKLIST	
A.	RCS CSCFA-112 Report
1	In Parts I and II, collections in AMS 9966 can not be used to reduce public receivables.
2	In Parts I and II, if AMS = 094*, then do not report in Parts III - VIII.
3	Do Parts III - VIII exclude unearned revenue (AMS *9**) for all reimbursement source codes?
B.	RCS CSCFA-218 Report
1	Are the reported funds available correct using the following formulas?
(a)	97X4930. Supply maintenance activities will report funds received for Capital Budget Authority and Obligation Authority received on funding authorization documents (FADs).
(b)	97X4930. Activities with capital budget authority will report funds receivable for capital in agreement with PBAS.
(c)	97X4930. Depots will report prior-year unobligated balance, plus automatic orders received, in agreement with DFAS Center for Sustaining Forces - Indianapolis records.
(d)	97X4930. Depot maintenance and ordnance activities will report funds received on FADS for Capital Budget Authority, plus the funding based upon the acceptance of reimbursable orders.
2	Are commitments outstanding reported for applicable appropriations?
3	Are gross obligations for X1805 less than or equal to funds available plus recoveries reapportioned?
4	For activities reporting DWCF and/or AWCF activity, are statements of financial condition included?
C.	RCS DD-COMP(M)1292 Statement 7, Monthly Management Report
1	Is this report prepared in thousands of dollars?
2	Do the unfilled orders on line C of Statement 7 equal unfilled orders on the RCS CSCFA-112? If not:
(a)	Is the difference footnoted?
(b)	Is an analysis provided?
3	Do net reimbursable issues, line E of the Statement 7, equal earnings less other income on the RCS CSCFA-112?
4	Do obligations less recoveries, line G on the Statement 7, equal obligations less recoveries as reported on the RCS CSCFA-218?
5	Do unobligated commitments, line K of the Statement 7, equal commitments outstanding on the RCS CSCFA-218?
6	Do materials on order, line T of the Statement 7, equal total undelivered orders on the RCS CSCFA-218?
7	Does cash (Treasury), line U of the Statement 7, equal net outlays from the RCS CSCFA-218 and RCS CSCFA-112 reports?
8	Do accounts receivable-Government, line X, and accounts receivable-public, line Y, of the Statement 7, equal total receivables as reported on the RCS CSCFA-112 less undistributed collections?
9	Do accounts payable, line Z of the Statement 7, equal total payables as reported on the RCS CSCFA-218 less undistributed disbursements?
D.	Sale of Forest Products
1	If actual sales and/or expenses are applicable to more than one installation or facility, are the locations identified?
2	Are the cumulative sales fiscal year-to-date (FYTD) verified with proceeds deposited in 21F3875.3960 08-C S99999 as reported on RCS CSCFA-302?
3	Are the cumulative obligations FYTD verified to TRC 1J reported on RCS CSCFA-218?

Table 27-3

ACCOUNTING REPORT CHECKLIST	
E.	Morale Welfare and Recreation (MWR) Checklist (TRC 26)
1	Are obligations reported for current year appropriations only?
2	Do all functional cost account (FCA) codes contain a valid program code in the second and third position? (Note: Command unique program codes and program codes with a zero in the third position won't pass DFAS Center for Sustaining Forces - Indianapolis edits. (See DFAS-IN Manual 37-100-FY for valid codes.)
3	Have obligations for all FCA codes been reported? (Note: Reporting of FCA codes on the CSCFA-218 report are required.
4	Do not report negative (credit balances for non-returnable services, e.g., utilities, civilian personnel expenses, etc.
5	Check FCAs to ensure capture of existing programs whether managed by DCA or not.
6	Ensure the engineer cost accounting system, Integrated Facilities System (IFS), is correctly transferring costs into STANFINS. For example, when performing maintenance and repair of a MWR facility authorized AF support, confirm that the appropriated funds are not split between personnel salaries and benefits, supplies, etc., when it should be under maintenance/repair of facilities.
7	Cross-check total obligations on the RSC CSCFA-218 report (direct and indirect costs) against direct cost execution (i.e., L account). The total obligations by FCA should be equal to or greater than direct support.
8	Check appropriated fund (APF) civilian personnel costs against the mid-year and year-end MWR Personnel Strength Reports (RCS DD-M(Q) 1555 AR 215-1). Check discrepancies, e.g., people with no expense, or vice versa. Note: when dealing with end strengths, it is possible to have the above situations. However, generally they are incorrect and should be verified.
9	Check APF authorizations to MWR by category (AR 215-1). For example, check to see if Category C activities (revenue generating) are receiving any direct support. Possible exceptions are recipients in remote/isolated locations, or recipients located outside the continental United States (OCONUS). Check to see if totals are unreasonable. For example, OCONUS activities are authorized utility support. Reports should reflect utility support when authorized.
10	For contractor funds or managed MWR programs affected installations should ensure that blanket contract costs are at least prorated to each activity being supported and are reported at the detail EOR level. Also, report all authorized engineer support to these activities.
11	For veterinary funds, are APF totals only in support of the MWR facility and not their mission function? Cross-check this against the Personnel Strength Report.
12	Try to solve problems and reconcile at the lowest level.
13	Cross-check against non appropriated fund (NAF) financial statements when necessary. For example, a club, a Category C activity, does not show utilities support on either the RCS CSCFA-218 report or its income statement. This is an unreasonable situation and should be verified. Refer to AR 215-1 for clarification.
F	Civilian Manpower Obligation Data (CMOD) Report
1	Check that the following average salaries are in-line with current fiscal year average salaries provided annually by DFAS Center for Sustaining Forces - Indianapolis. These checks are only sanity checks, and are meant to call attention to possible errors. Some accounting activities may have good reason to have average salaries that differ considerably from the government average. In this case, be prepared to justify the amounts.
	a. The average full time permanent (FTP) general Schedule (GS), EOR 4th position B, salary. This is obligations divided by work years.

Table 27-3 (Continued)

ACCOUNTING REPORT CHECKLIST	
	b. The average FTP wage grade (WG), EOR 4th position C, salary. This is obligations for base pay divided by work years. Depot maintenance activities may vary from this amount.
	c. The average FTP senior executive service (SES), EOR 4th position F, salary. This is obligations for base pay divided by work years.
	d. The average FTP direct foreign nationals , EOR 4th position T, salary. This is obligations for base pay divided by work years.
	e. The average FTP indirect foreign nationals EOR 4th position 5, salary. This is obligations for base pay divided by work years.
2	Overtime costs divided by overtime work years should be equal or less than the maximum annual rate of overtime for GS/merit pay employees. The annual overtime rate cannot exceed 1 1/2 times the salary of a GS 10 - step 1 employee.
3	EORs for reserve technicians, EOR 4th position J, K, or L, should be reported for Operation and Maintenance Army National Guard (2065) and Operation and Maintenance Army Reserve (2080) only.
4	For current year, there should be no negative values for obligation, end strength, or work months.

Table 27-3 (Continued)

MONTHLY ACCOUNTING CHECKLIST

A. Were all submissions/transactions required for preparation of the reports received at the accounting activity as of the due date?

yes_____ no_____ n/a_____

1. If not, was there an impact on the outgoing reports?

yes_____no_____n/a_____

2. If there was an impact on the outgoing reports, were the suppliers of the submissions/transactions and the customer advised of the problem and a revised due date agreed to?

yes_____ no_____ n/a_____

B. Did the submitted transactions meet editing and balancing criteria?

yes_____no_____n/a_____

1. If not, were errors corrected by the proper cutoff date?

yes_____no_____n/a_____

2. If not, were the suppliers of the transactions and the customer advised of the problem and was a revised due date for a corrected submission agreed to?

yes_____no_____n/a_____

C. Did the submitted transactions meet DFAS Center for Sustaining Forces - Indianapolis edits and electra requirements?

yes_____no_____n/a_____

If not, were electra errors corrected y the proper cutoff date?

yes_____no_____n/a_____

D. Were footnotes prepared to reflect reasons for delays in submission, or were alternative actions taken to correct missing or incorrect transactions?

yes_____no_____n/a_____

E. Were any trend analyses of selected report lines and footnote values performed?

yes_____no_____n/a_____

F. Were the prior month electra errors corrected on current reports, as appropriate?

yes_____no_____n/a_____

Table 27-4

G. Were the conditions in Table 27-3 met?

yes_____no_____n/a_____

H. Were the electra errors and tabs, such as abnormal report values corrected or footnote as appropriate? The most critical areas are: negative unliquidated/unobligated, negative receivables, negative undelivered orders, negative payables, status/CER differences, and abnormal balances in the canceling appropriations.

yes_____no_____n/a_____

If footnoted:

1. Does the footnote clearly describe the cause of the discrepancy:

yes_____no_____n/a_____

2. Does the footnote discuss actions that must be taken by DFAS or the customer to correct the discrepancy?

yes_____no_____n/a_____

3. Does the footnote include a date to complete the correction?

yes_____no_____n/a_____

I. Were appropriate inter/intra-report comparisons made?

yes_____no_____n/a_____

J. Were customer's acceptances of reports obtained for the AR(M) 1307 reports? (Defense Agencies only)

yes_____no_____n/a_____

K. Were discrepancies in the AR(M) 1307 customer acceptances resolved? (Defense Agencies only)

yes_____no_____n/a_____

L. Were the reports reviewed and approved by appropriate management?

yes_____no_____n/a_____

COMPETED CHECKLIST APPROVED BY: (name, title, and date)

Table 27-4 (continued)